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President Reagan, throughout his Administration, has affirmed and reaffirmed the American role of peacemaker and peacekeeper. Those undertakings cannot be set aside. We owe that to our friends and allies and to ourselves.

But if we are to negotiate successfully for peace, progress, and freedom, we must maintain our strength and our self-confidence. The President's approach to the right foreign policy for this decade is rooted in three fundamental principles.

Realism. We must see the world as it is, not as we would wish it to be, facing up to challenges as well as opportunities.

Strength. No foreign policy can succeed from a position of weakness. Economic vigor, military power, and a strong sense of national purposes are prerequisites to the achievement of our national objectives.

Negotiation. Fortified by realism and strength, we must help to resolve international problems, through principled, effective diplomacy.

On these pillars of realism, strength, and negotiation, the United States is at work today in the interests of peace and freedom. The unique combination of American political, economic, and military resources is committed to serve the interests of the United States, to protect the security of free nations and the values of Western civilization. Major challenges and unresolved problems continue in many areas of the world today.

The United States is bringing these same principles and resources to bear in confronting them.

Meanwhile the results of the course taken by the President are clear and positive:

- Our strength and strength of purpose are reaffirmed;
- Our alliances remain firm;
- The family of democratic nations is growing.

The President has made it clear that we have the courage of our convictions. He is firmly committed to work for a world in which peace, justice, and freedom are secure. He has vigorously and eloquently expressed his determination to secure reductions in nuclear arms, working toward his dream that these weapons be entirely eliminated. He seeks new stability in our relationship with the Soviet Union, strengthened relations with our allies, a revitalized international economy, progress for developing nations, the defense of human rights, and the extension of democratic values. He has strongly expressed our faith in freedom as the cornerstone of our leadership in the world.

Over the last 3 years, in keeping with a tradition as old as democracy itself, our leaders have reported frequently to the nation and the world on their efforts to achieve these goals. They have spoken before a wide variety of audiences—the United Nations, international conferences, U.S. civic groups, foreign parliaments, and, via radio and television, directly to the American people.

This volume is an anthology of 40 of those speeches by President Ronald Reagan, Vice President George Bush, and Secretary of State George Shultz. Taken together they represent a comprehensive accounting of the Reagan Administration's foreign policy: the principles on which it is based, its goals and purposes, the plans and programs by which it has been advanced, and the progress it has made toward achieving its goals. The addresses cover each of the regions of the world and the major foreign policy initiatives undertaken by the Reagan Administration.

Progress in the Quest for Peace and Freedom

President Reagan
American Legion
Washington, D.C.
February 22, 1983

It is always a special pleasure and honor to address the national convention of the Legion. Each meeting is more than a joyous reunion of old comrades from days gone by; it is a reminder of those who cannot be here—those who gave their last full measure of devotion so that we and our children could enjoy the blessings of freedom in peace.

This 23d annual meeting here in Washington, my second speech to a national convention of the Legion, is a suitable occasion for taking stock. Back in August of 1980, when you gathered in Boston, I asked for your help and the help of millions of other Americans to reverse a dangerous course America had drifted on for too long. I said then that, together, it was our duty to begin to choose a new road—a road to peace built upon a realistic understanding of our nation's strength and continuing faith in her values. America has chosen that new road. And today I'd like to report on the progress we have made in the past 2 years in our quest for peace and freedom in an uncertain world.

I know of no more appropriate forum than this convention for such a report. When Dwight Eisenhower addressed this body in 1954, he said, "To help keep America strong—to help keep her secure—to help guide her on the true path to peace, there is no group better qualified than you of the American Legion."

In recent days I have received reports from four senior members of this Administration who've returned from assignments that took them to the far corners of the globe. Vice President Bush was warmly received in Europe, where he helped clear up many misconceptions about American policy. Secretary of State Shultz undertook an exten-

sive tour of the Middle East, and my National Security Adviser, Bill Clark, reported back from conferences in Europe with our arms control negotiators, Paul Nitze and Ed Rowley.

LEGACY OF THE PAST

The reports of all these capable officials have given us a timely survey of the international scene. It's an encouraging one, marking substantial progress since that day in August of 1980 when I asked for and received your help. The international situation then was truly alarming for all who cared about America and the cause of peace and freedom. Our country was the target for countless political and terrorist attacks all around the globe. In the view of many of our friends, we had become an uncertain ally; in the view of potential adversaries, we'd become a dubious deterrent to aggression. Our position in the United Nations had eroded to unacceptable levels, and our strength as a world power according to every index—moral, political, military, economic—had deteriorated to such an extent that the enemies of democracy and international order felt they could take advantage of this weakness. The Soviets sent their Cuban mercenaries to Angola and Ethiopia, used chemical weapons against innocent Laotians and Kampucheans, and invaded Afghanistan—all with impunity. Perhaps the most degrading symbol of this dismal situation was the spectacle of Iranian terrorists seizing American hostages and humiliating them and our country for more than a year.

How did all this happen? Well, the answer is: America had simply ceased to be a leader in the world. This was not the exclusive fault of any one leader or party, and it will take a truly bipartisan effort to make things right again.

For too long, our foreign policy had been a pattern of reaction to crisis, reac-

And no one knows better than combat veterans that once you're on the defensive, you can't go forward. The only movement left to you is retreat.

Some of our opinion molders had ceased to believe that we were a force for good in the world. They were ashamed that America was wealthy in a world with so much poverty. They rarely, if ever, explained that America's wealth came not from exploitation or mere good luck but from the hard work of the American people, from risk-taking by American investors, from the creativity of American inventors and entrepreneurs, and a free system of incentives.

Too many of our leaders saw the Soviets as a mirror image of themselves. If we would simply disarm, the Soviets would do likewise. They spent all their time viewing the world the way they wished it was, not the way it really is. And that's no way to protect the peace.

Their approach ignored the central focus of politics—the minds, hearts, sympathies, fears, hopes, and aspirations not of governments but of people. The 20th century has witnessed—and America has led the way in—the rising participation of all the people in international politics. Yet, even in this age of mass communications, too many of our leaders ignored this critical dimension.

Too many of our policymakers had lost touch with changing world realities. They failed to realize that to be an effective force for peace today, America must successfully appeal to the sympathies of the world's people—the global electorate. We can't simply be anti-this and anti-that. We can't simply react defensively to the political proposals of others, sometimes criticizing them, sometimes accommodating them, without positive alternative solutions to basic human problems.

At bottom, they ignored our responsibility to work for constructive change, not simply to try to preserve the *status quo*.

AMERICAN LEADERSHIP

Fortunately, the American people sensed this dangerous drift, and by 1980 a national reawakening was underway—a reawakening that resulted in a new sense of responsibility, a new sense of confidence in America and the universal principles and ideals on which our free system is based.

It's not an arrogant demand that others adopt our ways. It's a realistic belief in the relative and proven success of the American experiment. What we see in America today, in spite of the many economic hardships we're facing, is a renewed faith in the rightness of our system. That system has never failed us. We have failed the system every time we forgot the fundamental principles upon which it was based.

For America to play its proper role in the world, we had to set our own house in order. Our first and highest priority was to restore a sound economic base here at home. We had to put an end to the inflationary spiral which had been scourging this country for years, creating misery among those who have to survive on fixed incomes, destroying long-term capital markets, and mortgaging the future of our children and grandchildren. Then we had to lay the foundation for a recovery which would be based on sustainable growth without unleashing the inflationary monster again on ourselves and the world.

We've achieved our first economic goal, and we're well embarked on the second. Inflation, which was in double digits in 1979 and 1980, was only 3.9% in 1982 and in the last quarter was down to an annualized rate of only 1.1%.

The other essential precondition of a strengthened and purposeful foreign policy was the rebuilding of our foundation of our military strength. "To be prepared for war," George Washington said, "is . . . the most effectual means of preserving peace." It's precisely because we're committed to peace that we have a moral obligation to insure America's defense credibility.

Now, I realize that many well-meaning people deplore the expenditure of huge sums of money for military purposes at a time of economic hardship.

when economic conditions were far worse than anything we're experiencing today. But the result of heeding those voices then was a disastrous military imbalance that tempted the forces of tyranny and evil and plunged the world into a ruinous war. Possibly some of you remember drilling with wooden guns and doing maneuvers with cardboard tanks. We must never repeat that experience.

Now, for two decades, the Soviet Union has been engaged in building up the most powerful military forces in all man's history. During this period, the United States limited its own military spending to the point that our investment in defense actually declined in real terms while Soviet investment was nearly double our own during the decade of the 1970s. Neither our limiting or canceling of important weapon systems nor the efforts of a decade's worth of arms control agreements and negotiations have stopped or even slowed the Soviet leadership's pursuit of global military superiority.

Well, 2 years ago, we began the long, tough job of rebuilding America's defenses after those years of systematic underfunding and neglect. And today we're on the verge of putting in place a defense program adequate to our security needs. If we show the resolve to sustain the necessary levels of military spending—and, with your support and that of millions of other concerned citizens, we can—we can restore balance and deterrence, and we can better protect the peace.

AMERICA'S GOALS FOR THE 1980s

Now, let me address our foreign policy strategy. Some people have said we don't have one. One of the first things this Administration did was what we believed the American people had demanded of us—namely, to be realistic about the nature of the world and our adversaries and to speak the unadulterated truth about them. Making excuses for bad behavior only encourages bullies and invites aggression.

Pursuing a policy of honesty and realism toward the Soviets doesn't mean that productive relations between our two nations are impossible. What is required for such relations is restraint and reciprocity. Restraint must be demon-

Restoring Relations with Anies

Fortunately, America is far from alone in its quest for peaceful, prosperous, and humane international order. With us stand our friends and allies, in particular, the democracies of Europe, of Latin America, Asia, and the Pacific. With us in spirit also are millions of people in Poland and other Soviet-dominated countries, as well as in the Soviet empire itself. I received a snapshot the other day that had been smuggled out of Poland. And I was so proud. It was smuggled out just for the purpose of delivering it to me. It was a picture, a little photograph snapshot of a tiny little girl and a small boy holding a cardboard sign on which were printed things in Polish, and they sent the translation. It said, "Our father is sitting in prison for Solidarity." And the look of sorrow, of pathos on the little girl's face was the most touching thing you can imagine.

Maintenance of our allied partnerships is a key to our foreign policy. The bedrock of European security remains the NATO alliance. NATO is not just a military alliance. It's a voluntary political community of free men and women based on shared principles and a common history. The ties that bind us to our European allies are not the brittle ties of expediency or the weighty shackles of compulsion. They resemble what Abraham Lincoln called the "mystic chords of memory" uniting peoples who share a common vision. So, let there be no doubt on either side of the Atlantic: The freedom and independence of America's allies remain as dear to us as our own.

The Soviets' fundamental foreign policy is to break the link that binds us to our NATO allies. Their growing nuclear threat to Europe, especially since the mid-1970s, has a political as well as a military purpose—the deliberate fostering of a sense of insecurity among the peoples of Western Europe and pressure for accommodation to the Soviet power.

The ultimate Soviet goal in Europe is to force the nations to accommodate themselves to Soviet interests on Soviet terms. We should all know just what those terms are. We need look no further than the Berlin Wall and the Iron Curtain. The truth is something that we and our NATO allies must not hesitate to use to counter the slurs and threats made against us. Speaking the truth was

cent European trip. He cleared me an of misinformation, indeed, of deliberate falsehoods.

- He reaffirmed America's fundamental commitment to peace. We're not in the business of imperialism, aggression, or conquest. We threaten no one. Soviet leaders know full well there is no political constituency in the United States or anywhere in the West for aggressive military action against them.

- Vice President Bush reaffirmed our commitment to serious, mutual, and verifiable arms reductions. Our proposal is a serious one. And it represents real arms reduction, not merely the ratification of existing levels of weaponry on both sides.

- The Vice President also conveyed my willingness to meet anytime and anywhere with Mr. Andropov [Yuriy Andropov, General Secretary of the Communist Party of the Soviet Union] to sign an agreement that would eliminate an entire class of weapons from the face of the Earth. And that offer still stands.

- Finally, he conveyed our belief that success in reducing significantly the strategic arsenals of both sides depends on continued allied unity and a determination to face and speak the truth about the threat confronting us.

I have a deep, personal commitment to achieving an arms reduction agreement at the negotiations in Geneva on *intermediate-range nuclear forces (INF)*. We and our allies are in full agreement that the proposal that I have made for the complete elimination of the entire class of longer range, land-based INF missiles remains the best and most moral outcome. We're negotiating in good faith in Geneva. And ours is not a take-it-or-leave-it proposal. Our negotiations in Geneva are premised upon sound principles, supported by all the allies after long and careful consultation. These principles include:

- The only basis on which a fair agreement can be reached is that of equality of rights and limits between the United States and the Soviet Union.

- As a corollary, British and French strategic systems are, by definition, not a part of these bilateral negotiations and, therefore, not to be considered in them.

- In addition, Soviet proposals—which have the effect of shifting the threat from Europe to Asia—cannot be

offering the best hope of assuring peace and stability through the reduction of INF systems. Toward that end, Ambassador Nitze has been instructed to explore in Geneva every proposed solution consistent with the principles to which the alliance subscribes.

Any discussion of alliances, friends, and concerns of the United States must give special attention to Asia. The U.S.-Japanese relationship remains the centerpiece of our Asian policy.

Together, the United States and Japan can make an enormous contribution to the economic dynamism and technological progress needed for economic growth and development throughout the world. In Asia itself, we continue to strengthen our partnership in support of peace. Prime Minister Nakasone and I affirmed our commitment to this partnership during his recent visit to Washington. Secretary Shultz's visit to Tokyo underscored it.

Our relationship with the People's Republic of China is another important one, not only for stability and peace in Asia but around the globe. During his visit to Beijing, Secretary Shultz had many hours of frank and useful discussions with Chinese leaders. The most important thing to emerge from these talks was that, despite our differences, it is clear that both sides value this relationship and are committed to improve it.

As we rebuild our relationship with China, we will not forget our other friends in the area. We are committed to maintaining our relationship with the people of Taiwan, with whom we have had a long and honorable association. Our ties with the Republic of Korea remain strong, as troops of our two nations jointly protect that divided land against threatened aggression from the north. Incidentally, I must say, Secretary Shultz went up to the dividing line, the demilitarized zone, and met with our troops up there, some of whom were just going out on patrol for the night in that zone. And he came back with such glowing stories of the morale and the *esprit de corps* of our men there. And I've heard the same from the European theater. We need have no concern about the will and determination of our sons around the world who are representing—

I wonder if I could take a second—I didn't intend to do this and I've told it to some other people before. But it's a let-

One Armored Cavalry Regiment. And he spoke glowingly of them. But in his letter, he said that when he went to his helicopter, he was followed by a 19-year-old trooper who asked him if he thought he could get a message to me. Being an ambassador, he allowed as how he could. The kid stood there and then said, "Mr. Ambassador, will you tell the President, we're proud to be here, and we ain't scared of nothing?"

In Southeast Asia, the Association of South East Asian Nations, ASEAN as it's called, is cooperating to improve the economic, cultural, and educational growth of that region. Our country has strong mutual ties with ASEAN and its individual members. And the ANZUS pact with Australia and New Zealand is one of the most significant relationships we have in the world today.

Peacemaking

But in many of the important regions of the world, active conflicts take innocent lives, stunt economic growth, and block social progress. The United States has a unique ability and responsibility to work for peace in these regions.

In the Middle East, we're working to convince the peoples of the area that lasting peace and security can only come through direct negotiations, not the use of armed force. A secure and lasting peace for Israel and its Arab neighbors—including a resolution of the Palestinian problem that satisfies that people's legitimate rights—is a fundamental objective of our foreign policy.

We've launched a new initiative designed to accelerate and broaden the negotiation process begun at Camp David. That process fulfilled the principle of exchanging occupied territory for peace between Israel and Egypt. Today, I repeat my call to the Arab world to accept the reality of Israel, the reality that peace and justice are to be gained only through direct negotiation. King Hussein should be supported in his effort to bring together a joint Jordanian-Palestinian team to negotiate the future of the West Bank, Gaza, and Jerusalem.

We also continue to work for the total withdrawal of all foreign forces from Lebanon so that country can once again be an independent sovereign state. We call on Syria, the Palestine Liberation Organization, and Israel to withdraw their forces from Lebanon in the shortest possible time. A continued

take all necessary measures to guarantee the security of Israel's northern borders in the aftermath of complete withdrawal of the Israeli Army. But peace can only evolve through freely negotiated agreements, not solutions imposed by force.

Strengthening the International Economic System

The world is going through a period of great economic instability, one that poses significant dangers to world security. We and our allies must demonstrate the political courage to cooperate in undertaking the necessary remedies, particularly when these remedies require near-term sacrifices. Never has it been more true that we will all hang separately if we do not hang together.

A key element of our relationship with countries around the world is the economic link that unites us with trading partners. I'll not go into great detail today about the international economic and trade policies. But one point I want to make is that it is and will be our policy to oppose protectionism at home and abroad and to foster the continued pattern of ever freer trade which has served the world so well. And it must also be fair trade.

Promoting Progress in Developing Countries

Closely related to the trade and economic component of our foreign policy is our relationship with the developing world. I'm convinced that the time has come for this country and others to address the problems of the developing nations in a more forthright and less patronizing way. The fact is that massive infusions of foreign aid have proven not only ineffective in stimulating economic development in the Third World; in many cases they've actually been counterproductive. That kind of foreign aid is nothing more than welfare payments on a global scale and is just as ineffectual and degrading. Our economic assistance must be carefully targeted and must make maximum use of the energy and efforts of the private sector. This philosophy is reflected in the Caribbean Basin initiative I announced a year ago. Its goal is to combine trade, aid, and incentives for investment into a balanced arrangement that encourages

exposure to the effective management practices and economic thinking that contribute so much to successful development in the advanced economies like our own. There is no more damaging misconception than the notion that capitalism is an economic system benefiting only the rich. Economic freedom is the world's mightiest engine for abundance and social justice. In our own country, it has created more wealth and distributed it more widely among our people than in any other society known to man. Developing countries need to be encouraged to experiment with the growing variety of arrangements for profit sharing and expanded capital ownership that can bring economic betterment to their people.

Of course, economic problems are not the only ones that developing countries must contend with. The volatile combination of poverty with social and political instability makes many of these countries natural targets for subversion by the new colonialism of the totalitarian left. When countries must divert their scarce resources from economic development in order to fight imported terrorism or guerrilla warfare, economic progress is hard to come by. Security assistance, therefore, is an integral part of our aid policy with respect to Latin America and the developing world in general.

We face a special threat in Central America where our own national security is at risk. Central America is too close to us, and our strategic stake in the Caribbean sealanes and the Panama Canal is too great for us to ignore reality. The specter of Marxist-Leninist controlled governments in Central America with ideological and political loyalties to Cuba and the Soviet Union poses a direct challenge to which we must respond. Poverty together with social and political instability make a volatile combination which the new colonialists of the totalitarian left are trying to exploit for their own cynical purposes.

The reaffirmation of democracy in Costa Rica in their elections of last year, the transition from military rule to elected civilian government in Honduras, and the launching of democracy in El Salvador with the successful elections last March prove that we're on the right course.

Thanks to this progress, Marxist revolution is no longer seen as the in-

work and democracy must be nurtured in countries where it doesn't have long traditions. We must insure that the governments of El Salvador and other Central American countries can defend themselves against the Marxist guerrillas who receive guns, training, and money through Cuba and Nicaragua. The United States cannot and will not allow Marxist terrorism and subversion to prevail in Central America.

At the same time, we will continue, through our own efforts and through supporting efforts by other democracies of Latin America, to explore all possibilities for reconciliation and peace in Central America. But let me make it plain: We will never abandon our friends, and we will never abandon our conviction that legitimate political power can be gained through competition at the ballot box in free, open, and orderly elections.

Ambassador Kirkpatrick, on her recent trip to Latin America, engaged in extensive consultations with leaders of the region and assured them that we would pursue our common efforts to foster economic development, assist with security concerns, and strengthen the forces of freedom.

Fostering the Global Growth of Democratic Institutions

Last June, when I addressed the British Parliament, I outlined the all-embracing goal of our foreign policy. I observed that Americans have a positive vision of the future, of the world—a realistic and idealistic vision. We want to see a world that lives in peace and freedom under the consent of the governed. So far, however, we and the other democracies haven't done a very good job of explaining democracy and free economy to emerging nations.

Some people argue that any attempt to do that represents interference in the affairs of others—an attempt to impose our way of life. It's nothing of the kind. Every nation has the right to determine its own destiny. But to deny the democratic values and that they have any relevance to the developing world today, or to the millions of people who are oppressed by Communist domination, is to reject the universal significance of the basic timeless credo that all men are created equal—and that they're endowed by their Creator with certain inalienable

nings of a fundamentally new direction in American foreign policy—a policy based on the unashamed, unapologetic explaining of our own priceless free institutions and proof that they work and describing the social and economic progress they so uniquely foster.

History is not a darkening path twisting inevitably toward tyranny, as the forces of totalitarianism would have us believe. Indeed, the one clear pattern in world events—a pattern that's grown with each passing year of this century—is in the opposite direction. It is the growing determination of men and women of all races and conditions to gain control of their own destinies and to free themselves from arbitrary domination. More than any other single force, this is the driving aspiration that unites the human family today—the burning desire to live unhindered in a world that respects the rights of individuals and nations. Now, I'll admit

of this movement. So, let's turn off and tune out on those voices which for too long would have us cringing under the weight of a guilt complex.

It is America that has proposed the elimination of an entire class of nuclear weapons from the face of the Earth, that has called for a 50% reduction in intercontinental strategic missiles.

It is America that has helped end the siege of Beirut and is effectively working to broaden the Middle East peace process.

It is America that works closely with the African front-line states and our European allies for peace in southern Africa and that worked tirelessly with both Britain and Argentina to seek a peaceful resolution of the conflict in the South Atlantic.

It is America that encourages the trend toward democracy in Latin America and elsewhere in the world and cooperates with the Muslim countries and all those who want an end to the brutal Soviet occupation of Afghanistan.

It is America that joins with other free peoples in calling for reconciliation and an end to oppression in Poland.

undeniable truth that America remains the greatest force for peace anywhere in the world today. For all the stress and strain of recent ordeals, the United States is still a young nation, a nation that draws renewed strength not only from its material abundance and economic might but from free ideals that are as vibrant today as they were more than two centuries ago when that small but gallant band we call our Founding Fathers pledged their lives, their fortunes, and their sacred honor to win freedom and independence.

My fellow Legionnaires, the American dream lives—not only in the hearts and minds of our own countrymen but in the hearts and minds of millions of the world's people in both free and oppressed societies who look to us for leadership. As long as that dream lives, as long as we continue to defend it, America has a future, and all mankind has reason to hope. ■

**Secretary Shultz
Trilateral Commission
Washington, D.C.
April 3, 1984**

Over 20 years ago, President John Kennedy pledged that the United States would "pay any price, bear any burden, meet any hardship, support any friend, oppose any foe, in order to assure the survival and the success of liberty." We know now that the scope of that commitment is too broad—though the self-confidence and courage in those words were typically American and most admirable. More recently, another administration took the view that our fear of communism was "inordinate" and that there were very complicated social, economic, religious, and other factors at work in the world that we had little ability to affect. This, in my view, is a counsel of helplessness that substantially underestimates the United States and its ability to influence events.

Somewhere between these two poles lies the natural and sensible scope of American foreign policy. We know that we are not omnipotent and that we must set priorities. We cannot pay *any* price or bear *any* burden. We must discriminate; we must be prudent and careful; we must respond in ways appropriate to the challenge and engage our power only when very important strategic stakes are involved. Not every situation can be salvaged by American exertion even when important values or interests are at stake.

At the same time, we know from history that courage and vision and determination can change reality. We can affect events, and we all know it. The American people expect this of their leaders. And the future of the free world depends on it.

Americans, being a moral people, want their foreign policy to reflect the values we espouse as a nation. But Americans, being a practical people, also want their foreign policy to be effective. If we truly care about our values, we must be prepared to defend them and advance them. Thus we as a nation are perpetually asking ourselves how to reconcile our morality and our practical

sense, how to pursue noble goals in a complex and imperfect world, how to relate our strength to our purposes—in sum, how to relate power and diplomacy.

We meet this evening amid the excitement of America's quadrennial exercise of self-renewal, in which we as a country reexamine ourselves and our international objectives. It is an unending process—almost as unending as the presidential campaign season. But there are some constants in our policy, such as our alliance with the industrial democracies, as embodied in the distinguished gathering. This partnership—the cornerstone of our foreign policy for 35 years—itself reflects our ability to combine our moral commitment to democracy and our practical awareness of the crucial importance of maintaining the global balance of power. So I consider this an appropriate forum at which to share some thoughts on the relationship between power and diplomacy in the last two decades of the 20th century.

The World We Face

By the accident of history, the role of world leadership fell to the United States just at the moment when the old international order had been destroyed by two world wars but no new stable system had developed to replace it. A century ago, the international system was centered on Europe and consisted of only a few major players. Today, in terms of military strength, the dominant countries are two major powers that had been, in one sense or another, on the edge or outside European diplomacy. But economic power is now widely dispersed. Asia is taking on increasing significance. The former colonial empires have been dismantled, and there are now more than 160 independent nations on the world scene. Much of the developing world itself is torn by a continuing struggle between the forces of moderation and forces of radicalism. Most of the major international conflicts since 1945 have taken place there—from Korea to Vietnam to the Middle East to Central America. Moreover, the Soviet Union continues to exploit nuclear fear as a political weapon and to exploit instabil-

ities wherever they have the opportunity to do so.

On a planet grown smaller because of global communications, grown more turbulent because of the diffusion of power—all the while overshadowed by nuclear weapons—the task of achieving stability, security, and progress is a profound challenge for mankind. In an age menaced by nuclear proliferation and state-sponsored terrorism, tendencies toward anarchy are bound to be a source of real dangers.

It is absurd to think that America can walk away from these problems. This is a world of great potential danger. There is no safety in isolationism. We have a major, direct stake in the health of the world economy; our prosperity, our security, and our alliances can be affected by threats to security in many parts of the world; and the fate of our fellow human beings will always impinge on our moral consciousness. Certainly the United States is not the world's policeman. But we are the world's strongest free nation, and, therefore, the preservation of our values, our principles, and our hopes for a better world rests in great measure, inevitably, on our shoulders.

Power and Diplomacy

In this environment, our principal goal is what President Reagan has called "the most basic duty that any President and any people share—the duty to protect and strengthen the peace." History teaches, however, that peace is not achieved merely by wishing for it. Noble aspirations are not self-fulfilling. Our aim must always be to shape events and not be the victim of events. In this fast-moving and turbulent world, to sit in a reactive posture is to risk being overwhelmed or to allow others, who may not wish us well, to decide the world's future.

The Great Seal of the United States, as you know, shows the American eagle clutching arrows in one claw and olive branches in the other. Some of you may have seen the Great Seal on some of the china and other antique objects in the White House or in the ceremonial rooms on the eighth floor of the State Department. On some of the older items, the eagle looks toward the arrows; on others, toward the olive branches. It was President Truman who set it straight: he saw

to that the eagle always looked toward the olive branches—showing that America sought peace. But the eagle still holds onto those arrows.

This is a way of saying that our forefathers understood quite well that power and diplomacy always go together. It is even clearer today that a world of peace and security will not come about without exertion or without facing up to some tough choices. Certainly power must always be guided by purpose, but the hard reality is that diplomacy not backed by strength is ineffectual. That is why, for example, the United States has succeeded many times in its mediation when many other well-intentional mediators have failed. Leverage, as well as good will, is required.

Americans have sometimes tended to think that power and diplomacy are two distinct alternatives. To take a very recent example, the Long commission report on the bombing of our Marine barracks in Beirut urged that we work harder to pursue what it spoke of as "diplomatic alternatives," as opposed to "military options." This reflects a fundamental misunderstanding—not only of our intensive diplomatic efforts throughout the period but of the relationship between power and diplomacy. Sometimes, regrettable as it may be, political conflict degenerates into a test of strength. It was precisely our military role in Lebanon that was problematical, not our diplomatic exertion. Our military role was hamstrung by legislative and other inhibitions; the Syrians were not interested in diplomatic compromise so long as the prospect of hegemony was not foreclosed. They could judge from our domestic debate that our staying power was limited.

In arms control, also, successful negotiation depends on the perception of a military balance. Only if the Soviet leaders see the West as determined to modernize its own forces will they see an incentive to negotiate agreements establishing equal, verifiable, and lower levels of armaments.

The lesson is that power and diplomacy are not alternatives. They must go together, or we will accomplish very little in this world.

The relationship between them is a complex one, and it presents us with both practical and moral issues. Let me address a few of those issues. One is the variety of the challenges we face. A second is the moral complexity of our response. A third is the problem of managing the process in a democracy.

The Range of Challenges

Perhaps because of our long isolation from the turmoil of world politics, Americans have tended to believe that war and peace, too, were two totally distinct phenomena: we were either in a blissful state of peace, or else (as in World Wars I and II) we embarked on an all-out quest for total victory, after which we wanted to retreat back into inward-looking innocence, avoiding "power politics" and all it represented. During World War II, while single-mindedly seeking the unconditional surrender of our enemies, we paid too little heed to the emerging postwar balance of power.

Similarly, since 1945 we have experienced what we saw as a period of clear-cut cold war, relieved by a period of seeming detente which raised exaggerated expectations in some quarters. Today we must see the East-West relationship as more complex, with the two sides engaging in trade and pursuing arms control even as they pursue incompatible aims. It is not as crisis prone or starkly confrontational as the old cold war; but neither is it a normal relationship of peace or comfortable coexistence.

Thus, in the 1980s and beyond, most likely we will never see a state of total war or a state of total peace. We face instead a spectrum of often ambiguous challenges to our interests.

We are relatively well prepared to deter an all-out war or a Soviet attack on our West European and Japanese allies; that's why these are the least likely contingencies. But, day in and day out, we will continue to see a wide range of conflicts that fall in a gray area between major war and millennial peace. The coming years can be counted upon to generate their share of crises and local outbreaks of violence. Some of them—not all of them—will affect our interests. Terrorism—particularly state-sponsored terrorism—is already a contemporary weapon directed at America's interests, America's values, and America's allies. We must be sure we are as well prepared and organized for this intermediate range of challenges.

If we are to protect our interests, values, and allies, we must be engaged. And our power must be engaged.

It is often said that the lesson of Vietnam is that the United States should not engage in military conflict without a clear and precise military mission, solid public backing, and enough resources to finish the job. This is undeniably true. But does it mean there are no situations where a discrete assertion of power is

localized military action, there will always be instances that fall short of an all-out national commitment on the scale of World War II. The need to avoid no-win situations cannot mean that we turn automatically away from hard-to-win situations that call for prudent involvement. These will always involve risks; we will not always have the luxury of being able to choose the most advantageous circumstances. And our adversaries can be expected to play rough.

The Soviets are students of Clausewitz, who taught that war is a continuation of politics by other means. It is highly unlikely that we can respond to gray-area challenges without adapting power to political circumstances or on a psychologically satisfying, all-or-nothing basis. This is just not the kind of reality we are likely to be facing in the 1980s, or 1990s, or beyond. Few cases will be as clear or as quick as Grenada. On the contrary, most other cases will be a lot tougher.

We have no choice, moreover, but to address ourselves boldly to the challenge of terrorism. State-sponsored terrorism is really a form of warfare. Motivated by ideology and political hostility, it is a weapon of unconventional war against democratic societies, taking advantage of the openness of these societies. How do we combat this challenge? Certainly we must take security precautions to protect our people and our facilities; certainly we must strengthen our intelligence capabilities to alert ourselves to the threats. But it is increasingly doubtful that a purely passive strategy can even begin to cope with the problem. This raises a host of questions for a free society: in what circumstances—and how—should we respond? When—and how—should we take preventive or preemptive action against known terrorist groups? What evidence do we insist upon before taking such steps?

As the threat mounts—and as the involvement of such countries as Iran, Syria, Libya, and North Korea has become more and more evident—then it is more and more appropriate that the nations of the West face up to the need for active defense against terrorism. Once it becomes established that terrorism works—that it achieves its political objectives—its practitioners will be bolder, and the threat to us will be all the greater.

Of course, any use of force involves moral issues. American military power should be resorted to only if the stakes justify it, if other means are not available, and then only in a manner appropriate to the objective. But we cannot opt out of every contest. If we do, the world's future will be determined by others—most likely by those who are the most brutal, the most unscrupulous, and the most hostile to our deeply held principles. *The New Republic* stated it well a few weeks ago:

[T]he American people know that force and the threat of force are central to the foreign policy of our adversaries, and they expect their President to be able to deter and defeat such tactics.

As we hear now in the debate over military aid to Central America, those who shrink from engagement can always find an alibi for inaction. Often it takes the form of close scrutiny of any moral defects in the friend or ally whom we are proposing to assist. Or it is argued that the conflict has deep social and economic origins which we really have to address first before we have a right to do anything else.

But rather than remain engaged in order to tackle these problems—as we are trying to do—some people turn these concerns into formulas for abdication, formulas that would allow the enemies of freedom to decide the outcome. To me, it is highly immoral to let friends who depend on us be subjugated by brute force if we have the capacity to prevent it.

There is, in addition, another ugly residue of our Vietnam debate: the notion, in some quarters, that America is the guilty party, that the use of our power is a source of evil and, therefore, the main task in foreign policy is to restrain America's freedom to act. It is inconceivable to me that the American people believe any of this. It is certainly not President Reagan's philosophy.

Without being boastful or arrogant, the American people know that their country has been a powerful force for good in the world. We helped Europe and Asia—including defeated enemies—rebuild after the war, and we helped provide a security shield behind which they could build democracy and freedom as well as prosperity. Americans have often died and sacrificed for the freedom of others. We have provided around \$165 billion in economic assistance for the developing world. We have played a vital facilitating role in the Middle East peace

process, in the unending diplomacy of southern Africa, as well as in many other diplomatic efforts around the globe.

We have used our power for good and worthy ends. In Grenada, we helped restore self-determination to the people of Grenada, so that they could choose their own future. Some have tried to compare what we did in Grenada to the Soviet invasion of Afghanistan. We welcome such comparison. Contrast, for example, the prospects for free elections in the two countries. In Grenada, they will be held this year; in Afghanistan, when? Contrast the number of American combat troops now in Grenada 5 months after the operation with the number of Soviet troops in Afghanistan 55 months after their invasion. The number in Grenada is 0; the number in Afghanistan is over 100,000.

More often, the issue is not the direct use of American military power but military assistance to friends to help them defend themselves. Around the world, security support for friends is a way to prevent crises; it bolsters our friends so they can deter challenges. And it is a way of avoiding the involvement of American forces, because it is only when our friends' efforts in their own defense are being overwhelmed that we are faced with the agonizing decision whether to involve ourselves more directly. Security assistance is thus an essential tool of foreign policy. It is an instrument for deterring those who would impose their will by force and for making political solutions possible. It gets far less support in this country than it deserves.

Central America is a good example. The real moral question in Central America is not do we believe in military solutions, but do we believe in ourselves? Do we believe that our security and the security of our neighbors has moral validity? Do we have faith in our own democratic values? Do we believe that Marxist-Leninist solutions are anti-democratic and that we have a moral right to try to stop those who are trying to impose them by force? Sure, economic and social problems underlie many of these conflicts. But in El Salvador, the communist guerrillas are waging war directly against the economy, blowing up bridges and power stations, deliberately trying to wreck the country's economy.

The debate between social theorists; it is one of those situations I mentioned where the outcome of political competition will depend in large measure on the balance of military strength. In El Salvador, the United States is supporting moderates who believe in democracy and who are resisting the enemies of democracy on both the extreme right and the extreme left. If we withdrew our support, the moderates, caught in the crossfire, would be the first victims—as would be the cause of human rights and the prospects for economic development. And anyone who believes that military support for our friends isn't crucial to a just outcome is living in a dream world. And anyone who believes that military support can be effective when it's given on an uncertain installment plan is not facing reality.

Accountability Without Paralysis

The third issue I want to mention is the question of how this country, as a democracy, conducts itself in the face of such challenges.

Over the last 35 years, the evolution of the international system was bound to erode the predominant position the United States enjoyed immediately after World War II. But it seems to me that in this disorderly and dangerous new world, the loss of American predominance puts an even greater premium on consistency, determination, and coherence in the conduct of our foreign policy. We have less margin for error than we used to have.

This change in our external circumstances, however, coincided historically with a kind of cultural revolution at home that has made it harder for us to achieve the consistency, determination, and coherence that we need. The last 15 years left a legacy of contention between the executive and legislative branches and a web of restrictions on executive action embedded permanently in our laws. At the same time, the diffusion of power within the Congress means that a president has a hard time when he wants to negotiate with the Congress, because congressional leaders have lost their dominance of the process and often cannot produce a consensus or sometimes even a decision.

The net result, as you well know, is an enormous problem for American foreign policy—a loss of coherence and recurring uncertainty in the minds of friend and foe about the aims and constancy of the United States.

where direct use of our power is at issue, the stakes are high. Yet the war powers resolution sets arbitrary 60-day deadlines that practically invite an adversary to wait us out. Our Commander in Chief is locked in battle at home at the same time he is trying to act effectively abroad. Under the resolution, even inaction by the Congress can force the president to remove American forces from an area of challenge, which, as former President Ford has put it, undermines the president even when the Congress can't get up the courage to take a position. Such constraints on timely action may only invite greater challenges down the road. In Lebanon our adversaries' perception that we lacked staying power undercut the prospects for successful negotiation. As the distinguished Majority Leader, Senator Howard Baker, said on the floor of the Senate 4 weeks ago:

[We cannot continue to begin each military involvement abroad with a prolonged, tedious and divisive negotiation between the executive and the legislative branches of Government. The world and its many challenges to our interests simply do not allow us that luxury.]

I do not propose changes in our constitutional system. But some legislative changes may be called for. And I propose, at a minimum, that all of us, in both Congress and the executive branch, exercise our prerogatives with a due regard to the national need for an effective foreign policy. Congress has the right, indeed the duty, to debate and criticize, to authorize and appropriate funds and share in setting the broad lines of policy. But micromanagement by a committee of 535 independent-minded individuals is a grossly inefficient and ineffective way to run any important enterprise. The fact is that depriving the President of flexibility weakens our country. Yet a host of restrictions on the President's ability to act are now built into our laws and our procedures. Surely there is a better way for the President and the Congress to exercise their prerogatives without hobbling this country in the face of assaults on free-world interests abroad. Surely there can be accountability without paralysis. The sad truth is that many of our difficulties over the last 15 years have been self-imposed.

The issue is fundamental. If the purpose of our power is to prevent war, or injustice, then ideally we want to discourage such occurrences rather than have to use our power in a physical sense. But this can happen only if there is assurance that our power would be used if necessary.

then, a major asset—giving friends a sense of security and adversaries a sense of caution. A reputation for living up to our commitments can, in fact, make it less likely that pledges of support will have to be carried out. Crisis management is most successful when a favorable outcome is attained without firing a shot. Credibility is an intangible, but it is no less real. The same is true of a loss of credibility. A failure to support a friend always involves a price. Credibility, once lost, has to be reearned.

Facing the Future

The dilemmas and hard choices will not go away, no matter who is president. They are not partisan problems. Anyone who claims to have simple answers is talking nonsense.

The United States faces a time of challenge ahead as great as any in recent memory. We have a diplomacy that has moved toward peace through negotiation. We have rebuilt our strength so that we

others from violence. We have allies whom we value and respect. Our need is to recognize both our challenge and our potential.

Americans are not a timid people. A foreign policy worthy of America must not be a policy of isolationism or guilt but a commitment to active engagement. We can be proud of this country, of what it stands for, and what it has accomplished. Our morality should be a source of courage when we make hard decisions, not a set of excuses for self-paralysis.

President Reagan declared to the British Parliament nearly 2 years ago: "We must be staunch in our conviction that freedom is not the sole prerogative of a lucky few but the inalienable and universal right of all human beings." As long as Americans hold to this belief, we will be actively engaged in the world. We will use our power and our diplomatic skill in the service of peace and of our ideals. We have our work cut out for us. But we will not shrink from our responsibility. ■

America's Foreign Policy Challenges for the 1980s

**President Reagan
Center for Strategic and
International Studies
Washington, D.C.
April 6, 1984**

I'd like to address your theme of bipartisanship with a view toward America's foreign policy challenges for the 1980s.

IDEALISM AND REALISM

Two Great Goals

All Americans share two great goals for foreign policy: a safer world and a world in which individual rights can be respected and precious values may flourish.

These goals are at the heart of America's traditional idealism and our aspirations for world peace. Yet, while cherished by us, they do not belong exclusively to us. They're not "made in America." They're shared by people everywhere.

A Troubled World

Tragically, the world in which these fundamental goals are so widely shared is a very troubled world. While we and our allies may enjoy peace and prosperity, many citizens of the industrial world continue to live in fear of conflict and the threat of nuclear war. And all around the globe, terrorists threaten innocent people and civilized values. And in developing countries, the dreams of human progress have, too often, been lost to violent revolution and dictatorship.

Quite obviously, the widespread desire for a safer and more humane world is—by itself—not enough to create such a world. In pursuing our worthy goals, we must go beyond honorable intentions and good will to practical means.

Key Principles

We must be guided by these key principles.

Realism. The world is not as we wish it would be. Reality is often harsh. We will not make it less so if we do not

negotiations; no secure democracy and peace. Conversely, weakness or hopeful passivity are only self-defeating. They invite the very aggression and instability that they would seek to avoid.

New Economic Growth. This is the underlying base that ensures our strength and permits human potential to flourish. Neither strength nor creativity can be achieved or sustained without economic growth—both at home and abroad.

Intelligence. Our policies cannot be effective unless the information on which they're based is accurate, timely, and complete.

Shared Responsibility With Allies. Our friends and allies share the heavy responsibility for the protection of freedom. We seek and need their partnership, sharing burdens in pursuit of our common goals.

Nonaggression. We have no territorial ambitions. We occupy no foreign lands. We build our strength only to assure deterrence and to secure our interests if deterrence fails.

Dialogue With Adversaries. Though we must be honest in recognizing fundamental differences with our adversaries, we must always be willing to resolve these differences by peaceful means.

Bipartisanship at Home. In our two-party democracy, an effective foreign policy must begin with bipartisanship, and the sharing of responsibility for a safer and more humane world must begin at home.

AMERICAN RENEWAL

Restored Deterrence: "American Leadership Is Back"

During the past 3 years, we've been steadily rebuilding America's capacity to advance our foreign policy goals through renewed attention to these vital principles. Many threats remain, and peace may still seem precarious. But America is safer and more secure today because the people of this great nation have restored the foundation of its strength.

We began with renewed realism—a clear-eyed understanding of the world we live in and of our inescapable global responsibilities. Our industries depend on the importation of energy and minerals from distant lands. Our prosperity requires a sound international financial

system and free and open trading markets. And our security is inseparable from the security of our friends and neighbors.

I believe Americans today see the world with realism and maturity. The great majority of our people do not believe the stark differences between democracy and totalitarianism can be wished away. They understand that keeping America secure begins with keeping America strong and free.

When we took office in 1981, the Soviet Union had been engaged for 20 years in the most massive military buildup in history. Clearly, their goal was not to catch us but to surpass us. Yet, the United States remained a virtual spectator in the 1970s, a decade of neglect that took a severe toll on our defense capabilities.

With bipartisan support, we embarked immediately on a major defense rebuilding program. We've made good progress in restoring the morale of our men and women in uniform, restocking spare parts and ammunition, replacing obsolescent equipment and facilities, improving basic training and readiness, and pushing forward with long-overdue weapons' programs.

The simple fact is that in the last half of the 1970s we were not deterring, as events from Angola to Afghanistan made clear. Today we are, and that fact has fundamentally altered the future for millions of human beings. Gone are the days when the United States was perceived as a rudderless superpower, a helpless hostage to world events. American leadership is back. Peace through strength is not a slogan, it's a fact of life. And we will not return to the days of handwringing, defeatism, decline, and despair.

We have also upgraded significantly our intelligence capabilities—restoring morale in the intelligence agencies and increasing our capability to detect, analyze, and counter hostile intelligence threats.

Economic Recovery

Economic strength, the underlying base of support for our defense buildup has received a dramatic new boost. We've transformed a no-growth economy, crippled by disincentives, double-digit inflation, 21.5% interest rates, plunging productivity, and a weak dollar, into a

renewed strength at home has been accompanied by closer partnerships with America's friends and allies. Far from buckling under Soviet intimidation, the unity of the NATO alliance has held firm, and we are moving forward to modernize our strategic deterrent. The leader of America's oldest ally, French President Francois Mitterrand, recently reminded us that: "Peace—like liberty—is never given . . . the pursuit of both is a continual one. . . . In the turbulent times we live in, solidarity among friends is essential."

A Stark Contrast

Our principles don't involve just rebuilding our strength; they also tell us how to use it. We remain true to the principle of nonaggression. On an occasion when the United States, at the request of its neighbors, did use force—in Grenada—we acted decisively but only after it was clear a bloodthirsty regime had put American and Grenadian lives in danger and the security of neighboring islands in danger. As soon as stability and freedom were restored on the island, we left. The Soviet Union had no such legitimate justification for its massive invasion of Afghanistan 4 years ago. And today, over 100,000 occupation troops remain there. The United States, by stark contrast, occupies no foreign nation, nor do we seek to.

Though we and the Soviet Union differ markedly, living in this nuclear age makes it imperative that we talk with each other. If the new Soviet leadership truly is devoted to building a safer and more humane world, rather than expanding armed conquests, it will find a sympathetic partner in the West.

In pursuing these practical principles, we have throughout sought to revive the spirit that was once the hallmark of our postwar foreign policy—bipartisan cooperation between the executive and the legislative branches of our government.

Much has been accomplished, but much remains to be done. If Republicans and Democrats will join together to confront four great challenges to American foreign policy in the 1980s, then we can and will make great strides toward a safer and more humane world.

FOUR GREAT CHALLENGES

Challenge Number One

Challenge number one is to reduce the risk of nuclear war and to reduce the levels of nuclear armaments in a way that also reduces the risk they will ever be used. We have no higher challenge, for a nuclear war cannot be won and must never be fought. But merely to be against nuclear war is not enough to prevent it.

For 35 years, the defense policy of the United States and its NATO allies has been based on one simple premise: we do not start wars. We maintain our conventional and strategic strength to deter aggression by convincing any potential aggressor that war could bring no benefit, only disaster. Deterrence has been and will remain in the cornerstone of our national security policy to defend freedom and preserve peace.

But, as I mentioned, the 1970s were marked by neglect of our defenses, and nuclear safety was no exception. Too many forgot John Kennedy's warning that only when our arms are certain beyond doubt can we be certain beyond doubt they will never be used. By the beginning of this decade, we faced three growing problems: the Soviet SS-20 monopoly in Europe and Asia; the vulnerability of our land-based ICBM [intercontinental ballistic missile] force; and the failure of arms control agreements to slow the overall growth in strategic weapons. The Carter Administration acknowledged these problems. In fact, almost everyone did.

There is a widespread, but mistaken, impression that arms agreements automatically produce arms control. In 1969, when SALT I [strategic arms limitation talks] negotiations began, the Soviet Union had about 1,500 strategic nuclear weapons. Today, the Soviet nuclear arsenal can grow to over 15,000 nuclear weapons and still stay within all past arms control agreements, including the SALT I and SALT II guidelines.

The practical means for reducing the risks of nuclear war must, therefore, follow two parallel paths—credible deterrence and real arms reductions with effective verification. It is on this basis that we've responded to the problems I just described. This is why we've moved forward to implement NATO's dual-track decision of 1979 while actually reducing

bipartisan support for the recommendations of the Scowcroft commission and the "build-down" concept, and why we've proposed deep reductions in strategic forces as the strategic arms reduction talks (START).

Without exception, every arms control proposal that we have offered would reverse the arms buildup and help bring a more stable balance at lower force levels. At the START talks, we seek to reduce substantially the number of ballistic missile warheads, reduce the destructive capacity of nuclear missiles, and establish limits on bombers and cruise missiles below the levels of SALT II; at the talks on intermediate-range nuclear forces (INF), our negotiators have tabled four initiatives to address Soviet concerns and improve prospects for a fair and equitable agreement that would reduce or eliminate an entire class of such nuclear arms. Our flexibility in the START and INF negotiations has been demonstrated by numerous modifications to our positions. But they have been met only by the silence of Soviet walkouts.

At the mutual and balanced force reduction talks in Vienna, we and our NATO partners presented a treaty that would reduce conventional forces to parity at lower levels. To reduce the risks of war in time of crisis, we have proposed to the Soviet Union important measures to improve direct communications and increase mutual confidence. And just recently, I directed Vice President Bush to go to the Conference on Disarmament in Geneva to present a new American initiative: a worldwide ban on the production, possession, and use of chemical weapons.

Our strategic policy represents a careful response to a nuclear agenda upon which even our critics agreed. Many who would break the bonds of bipartisanship, claiming they know how to bring greater security, seem to ignore the likely consequences of their own proposals.

Those who wanted a last-minute moratorium on INF deployment would have betrayed our allies and reduced the chances for a safer Europe; those who would try to implement a unilateral freeze would find it unverifiable and destabilizing, because it would prevent restoration of a stable balance that keeps the peace; and those who would advocate

unilateral cancellation of the Peacekeeper missile would ignore a central recommendation of the bipartisan Scowcroft report and leave the Soviets with little incentive to negotiate meaningful reductions. Indeed, the Soviets would be rewarded for leaving the bargaining table.

These simplistic solutions, and others put forward by our critics, would take meaningful agreements and increased security much further from our grasp. Our critics can best help us move closer to the goals we share by accepting practical means to achieve them. Granted, it is easy to support a strong defense; it's much harder to support a strong defense budget. And granted, it is easy to call for arms agreements; it's more difficult to support patient, firm, fair negotiations with those who want to see how much we will compromise with ourselves first. Bipartisanship can only work if both sides face up to real-world problems and meet them with real-world solutions.

Challenge Number Two

Our safety and security depend on more than credible deterrence and nuclear arms reductions. Constructive regional development is also essential. Therefore, our second great challenge is strengthening the basis for stability in troubled and strategically sensitive regions.

Regional tensions often begin in long-standing social, political, and economic inequities and in ethnic and religious disputes. But throughout the 1970s, increased Soviet support for terrorism, insurgency, and aggression, coupled with a perception of weakening U.S. power and resolve, greatly exacerbated these tensions.

The results were not surprising: the massacres of Kampuchea followed by the Vietnamese invasion; the Soviet invasion of Afghanistan; the rise of Iranian extremism and the holding of Americans hostage; Libyan coercion in Africa; Soviet and Cuban military involvement in Angola and Ethiopia; their subversion in Central America; and the rise of state-supported terrorism.

Taken together, these events defined a pattern of mounting instability and violence that the United States could not ignore. And we have not. As with defense, by the beginning of the 1980s, there was an emerging consensus in this country that we had to do better in dealing

region.

It is also obvious we alone cannot save embattled governments or control terrorism. But doing nothing only ensures far greater problems down the road. So we strive to expand cooperation with states who support our common interests, to help friendly nations in danger, and to seize major opportunities for peacekeeping.

Perhaps the best example of this comprehensive approach is the report and recommendations of the National Bipartisan Commission on Central America. It is from this report that we drew our proposals for bringing peaceful development to Central America. They are now before the Congress and will be debated at length.

I welcome a debate. But, if it's to be productive, we must put aside mythology and uninformed rhetoric. Some, for example, insist that the root of regional violence is poverty but not communism. Well, three-fourths of our request and of our current program is for economic and humanitarian assistance. America is a good and generous nation. But, economic aid alone cannot stop Cuban and Soviet-sponsored guerrillas determined to terrorize, burn, bomb, and destroy everything from bridges and industries to electric power and transportation. And neither individual rights nor economic health can be advanced if stability is not secured.

Other critics say we shouldn't see the problems of this or any other region as an East-West struggle. Our policies in Central America and elsewhere are, in fact, designed precisely to keep East-West tensions from spreading, from intruding into the lives of nations that are struggling with great problems of their own. Events in southern Africa are showing what persistent mediation and an ability to talk to all sides can accomplish. The states of this region have been poised for war for decades, but there is new hope for peace. South Africa, Angola, and Mozambique are implementing agreements to break the cy-

reform can be enjoyed by all the peoples of southern Africa.

In Central America we've also seen progress. El Salvador's presidential elections express that nation's desire to govern itself in peace. Yet the future of the region remains open. We have a choice: either we help America's friends defend themselves and give democracy a chance or we abandon our responsibilities and let the Soviet Union and Cuba shape the destiny of our hemisphere. If this happens, the East-West conflict will only become broader and much more dangerous.

In dealing with regional instability, we have to understand how it is related to other problems. Insecurity and regional violence are among the driving forces of nuclear proliferation. Peacekeeping in troubled regions and strengthening barriers to nuclear proliferation are two sides of the same coin. Stability and safeguards go together.

No one says this approach is cheap, quick, or easy. But the cost of this commitment is bargain basement compared to the tremendous sacrifices we will have to make if we do nothing or do too little. The Kissinger commission warned that an outbreak of Cuban-type regimes in Central America will bring subversion closer to our own borders and the specter of millions of uprooted refugees fleeing in desperation to the north.

In the Middle East, which has so rarely known peace, we seek a similar mix of economic aid, diplomatic mediation, and military assistance and cooperation. These will, we believe, make the use of U.S. forces unnecessary and make the risk of East-West conflict less. But given the importance of the region, we must also be ready to act when the presence of American power, and that of our friends, can help stop the spread of violence. I have said, for example, that we will keep open the Strait of Hormuz, the vital lifeline through which so much oil flows to the United States and other industrial democracies. Making this clear beforehand—and making it credible—makes such a crisis much less likely.

We must work with quiet persistence and without illusions. We may suffer setbacks, but we must not jump to the con-

solving requires a balanced and sustained approach, it is essential that the Congress give full, not piecemeal, support. Indeed, where we have foundered in regional stabilization, it has been because the Congress has failed to provide such support. Halfway measures—refusing to take responsibility for means—produce the worst possible results. I'll return to this point when I discuss the fourth challenge in just a few minutes.

Challenge Number Three

Expanding opportunities for economic development and personal freedom is our third great challenge. The American concept of peace is more than absence of war. We favor the flowering of economic growth and individual liberty in a world of peace. And this, too, is a goal to which most Americans subscribe. Our political leaders must be judged by whether the means they offer will help us to reach it.

Our belief in individual freedom and opportunity is rooted in practical experience: free people build free markets that ignite dynamic development for everyone. And in America, incentives, risk taking, and entrepreneurship are reawakening the spirit of capitalism and strengthening economic expansion and human progress throughout the world. Our goal has always been to restore and sustain noninflationary worldwide growth, thereby ending for good the stagflation of the 1970s, which saw a drastic weakening of the fabric of the world economy.

We take our leadership responsibilities seriously, but we alone cannot put the world's economic house in order. At Williamsburg, the industrial countries consolidated their views on economic policy. The proof is not in the communiqué; it's in the results. France is reducing inflation and seeking greater flexibility in its economy; Japan is slowly, to be sure, but steadily—we will insist—liberalizing its trade and capital markets; Germany and the United Kingdom are moving forward on a steady course of low inflation and moderate, sustained growth.

Just as we believe that incentives are key to greater growth in America and throughout the world, so, too, must we resist the sugar-coated poison of protectionism everywhere it exists. Here at home, we're opposing inflationary, self-defeating bills like domestic content. At the London economic summit in June, I hope that we can lay the groundwork for a new round of negotiations that will open markets for our exports of goods and services and stimulate greater growth, efficiency, and jobs for all.

And we're advancing other key initiatives to promote more powerful worldwide growth by expanding trade and investment relationships. The dynamic growth of Pacific Basin nations has made them the fastest growing markets for our goods, services, and capital. Last year, I visited Japan and Korea, two of America's most important allies, to forge closer partnerships. And this month I will visit the People's Republic of China, another of the increasingly significant relationships that we hold in the Pacific. I see America and our Pacific neighbors as nations of the future, going forward together in a mighty enterprise to build dynamic growth economies and a safer world.

We're helping developing countries grow by presenting a fresh view of development—the magic of the marketplace—to spark greater growth and participation in the international economy. Developing nations earn twice as much from exports to the United States as they received in aid from all the other nations combined.

And practical proposals like the Caribbean Basin Initiative will strengthen the private sectors of some 20 Caribbean neighbors, while guaranteeing fairer treatment for U.S. companies and nationals and increasing demand for American exports.

We've recently sent to the Congress a new economic policy initiative for Africa. It, too, is designed to support the growth of private enterprise in African countries by encouraging structural economic change and international trade. We've also asked the Congress to increase humanitarian assistance to Africa to combat the devastating effects of extreme drought.

In building a strong global recovery, of course, nothing is more important than to keep the wheels of world commerce turning and create jobs without renewing the spiral of inflation. The In-

ternational Monetary Fund (IMF) is a linchpin in our efforts to restore a sound world economy and resolve the debt problems of many developing countries. With bipartisan support, we implemented a major increase in IMF resources. In cooperation with the IMF, we're working to prevent the problems of individual debtor nations from disrupting the stability and strength of the entire international financial system. It was this goal that brought nations of north and south together to help resolve the debt difficulties of the new democratic Government of Argentina.

Because we know that democratic governments are the best guarantors of human rights, and that economic growth will always flourish when men and women are free, we seek to promote not just material products but the values of faith and human dignity for which America and all democratic nations stand—values which embody the culmination of 5,000 years of Western civilization.

When I addressed the British Parliament in June of 1982, I called for a bold and lasting effort to assist people struggling for human rights. We've established the National Endowment for Democracy, a partnership of people from all walks of life dedicated to spreading the positive message of democracy. To succeed, we must oppose the doublespeak of totalitarian propaganda. And so we're modernizing the Voice of America and our other broadcasting facilities, and we are working to start up Radio Marti, a voice of truth to the imprisoned people of Cuba.

Americans have always wanted to see the spread of democratic institutions, and that goal is coming closer. In our own hemisphere, 26 countries of Latin America and the Caribbean are either democracies or formally embarked on a democratic transition. This represents 90% of the region's population, up from under 50% a decade ago.

Trust the people, this is the crucial lesson of history and America's message to the world. We must be staunch in our conviction that freedom is not the sole possession of a chosen few, but the universal right of men and women everywhere. President Truman said, "If we should pay merely lip service to inspiring ideals, and later do violence to simple justice, we would draw down upon us the bitter wrath of generations yet unborn." Let us go forward together, faithful friends of democracy and democratic

Challenge Number Four

This brings me to our fourth great challenge: we must restore bipartisan consensus in support of U.S. foreign policy. We must restore America's honorable tradition of partisan politics stopping at the water's edge. Republicans and Democrats standing united in patriotism and speaking with one voice as responsible trustees for peace, democracy, individual liberty, and the rule of law.

In the 1970s we saw a rash of congressional initiatives to limit the president's authority in the areas of trade, human rights, arms sales, foreign assistance, intelligence operations, and the dispatch of troops in time of crisis. Over 100 separate prohibitions and restrictions on executive branch authority to formulate and implement foreign policy were enacted.

The most far-reaching consequence of the past decade's congressional activism is this: bipartisan consensus building has become a central responsibility of congressional leadership as well as of executive leadership. If we're to have a sustainable foreign policy, the Congress must support the practical details of policy, not just the general goals.

We have demonstrated the capacity for such jointly responsible leadership in certain areas. But we have seen setbacks for bipartisanship, too. I believe that once we established bipartisan agreement on our course in Lebanon, the subsequent second guessing about whether to keep our men there severely undermined our policy. It hindered the ability of our diplomats to negotiate, encouraged more intransigence from the Syrians, and prolonged the violence. Similarly, congressional wavering on support for the Jackson plan, which reflects the recommendations of the National Bipartisan Commission on Central America, can only encourage the enemies of democracy who are determined to wear us down.

To understand and solve this problem of joint responsibility, we have to go beyond the familiar questions as to who should be stronger, the president or the Congress. The more basic problem is: in this "post-Vietnam era," Congress has not yet developed capacities for coherent, responsible action needed to carry out the new foreign policy powers it has taken for itself. To meet the challenges of this decade, we need a strong president and a strong Congress.

Much was learned from Vietnam—lessons ranging from increased appreciation of the need for careful discrimination in the use of U.S. force or military assistance to increased appreciation of the need for domestic support for any such military element of policy. Military force, either direct or indirect, must remain an available part of America's foreign policy. But, clearly, the Congress is less than wholly comfortable with both the need for a military element in foreign policy and its own responsibility to deal with that element.

Presidents must recognize Congress as a more significant partner in foreign policymaking, and, as we have tried to

Bipartisan consensus is not an end in itself. Sound and experienced U.S. foreign policy leadership must always reflect a deep understanding of fundamental American interests, values, and principles.

Consensus on the broad goals of a safer and more humane world is easy to achieve. The harder part is making progress in developing concrete, realistic means to reach these goals. We've made some progress. But there is still a congressional reluctance to assume responsibility for positive, bipartisan action to go with their newly claimed powers.

We've set excellent examples with the bipartisan Scowcroft commission, bipartisan support for IMF funding, and the bipartisan work of the Kissinger commission. But it's time to lift our ef-

nity, and the responsibility to work as partners, so that we might leave these blessed gifts to our children and to our children's children.

We might remember the example of a legislator who lived in a particularly turbulent era, Henry Clay. Abraham Lincoln called him "my beau ideal of a statesman." He knew Clay's loftiness of spirit and vision never lost sight of his country's interest, and that, election year or not, Clay would set love of country above all political considerations.

The stakes for America for peace and for freedom demand every bit as much from us in 1984 and beyond—this is our challenge. ■

A New Partnership With Africa

Vice President Bush
Kenya Chamber of
Commerce
Nairobi
November 19, 1982

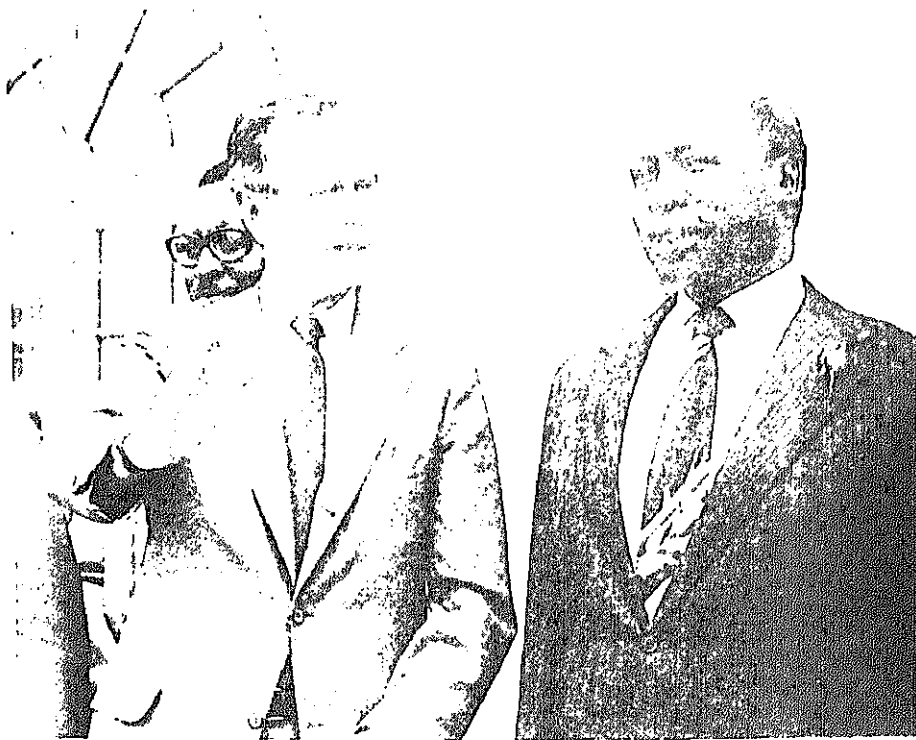
You do the United States a great honor in receiving me this evening. I bring you the greetings of the President of the United States and of millions of my fellow citizens who are sincerely interested in America's longstanding friendship with the Continent and people of Africa. I bring also special greetings to President Daniel arap Moi and to all Kenyans. *Your country is an old friend of the United States and is dear to us all.*

The past 10 days have been important to me. President Reagan asked me to carry our message of friendship and deep commitment to a true partnership with the nations of Africa. We are determined to work with the leaders of this continent in the quest for peace and progress. My visit has been particularly satisfying. It has permitted us to see old friends and make new ones.

I have exchanged views with some of Africa's most impressive leaders. I have had an opportunity to see and feel firsthand the diversity of this beautiful continent and to sense its great promise. In several days I will be able to share with President Reagan and my fellow Americans the thinking of Africa's leaders on the major issues important to us.

It should come as no surprise to you that President Reagan thought that it was especially important for me to visit Kenya. Since Kenya's independence, close ties have bound our two countries and peoples. Your nation has been admired in the United States for its political and economic record.

We share important values—democratically elected governments, civilian rule, freedom of press and religion, a multiracial society, and an economy guided by the principles of free enterprise. Kenya has been a strong advocate



Vice President Bush and Kenyan President Daniel arap Moi, November 20, 1982.

and its distinguished president have led the Organization of African Unity (OAU) during a year in which Africa faced many problems. Because Kenya has served this year as spokesman for Africa's aspirations, I am especially pleased to speak from the city of Nairobi to all the people of Africa. I particularly wish to speak about the hopes and values which grew up during Africa's struggle for independence and which will guide Africa as it faces the future. Chief among these values is the desire for freedom—freedom of nations from outside pressures and freedom of people within nations. That desire gave birth to the OAU, thanks to the recognition that—without regional cooperation—the peace, progress, and independence of Africa would not be maintained. Such cooperation is not an easy goal given the great variety of peoples, circumstances, and cultures in Africa. This tremendous

diversity, coupled with the harsh impact of today's global economic recession underscores more than ever the importance of African regional cooperation for common purposes.

There is no justification for despair about Africa's future. Despite trials and setbacks, the history of Africa since its independence era has included significant progress, especially in the development of human resources. Education, talent, and energy—such as that represented by this very audience—prove that Africa has the capacity to make good the promise of its enormous potential in spite of the many problems it faces. Thanks to the abilities and values which men and women, like ourselves, bring to the everyday task of national development, Africa can enter its third decade of independence with confidence in the future.

Because we believe that Africa is

and mature partnership with the nations and people of Africa. We speak of a partnership that begins with mutual respect. We speak of a partnership that includes honest discussions. We speak of a partnership which recognizes that each nation must do its part if the goals we share are to be achieved. Partnership is a two-way street based on shared goals, common principles, and mutual interests.

These principles have guided our Administration's policies toward Africa. The time is ripe for the sort of candid dialogue I have been privileged to experience on this trip. And I have learned a lot. A top priority in our diplomacy is southern Africa, where the choices between regional strife and regional cooperation are stark. The inescapable need for peaceful change is challenged by a climate of fear, distrust, foreign intervention, and cross-border violence.

Search for Constructive Change in Southern Africa

The United States is committed to the search for constructive change in southern Africa. In cooperation with our allies and in direct response to the will of Africa's leaders, the United States has engaged its influence and resources in the effort to bring Namibia to independence. We are determined to help turn the sad tide of growing conflict and tension in southern Africa. We are fully committed to work for a settlement that will enhance regional security and assure Namibia's early independence on terms acceptable to its people, Africa, and the world at large.

Let me state again, we are fully committed to an independent Namibia. I can assure you that significant progress has been made. A year ago the settlement effort was relaunched with vigor. Since then, the United States and its Western contact group partners have worked closely and intensively with all parties. This past July agreement was reached on the principles which will guide Namibia's constituent assembly. Since then, substantial progress has been made on remaining issues concerning the implementation of Security Council Resolution 435. We are close to agreement on implementation of the

be achieved. For 7 years Angola has been engulfed in war, its territory invaded, its progress toward a better economic future stalled. Thousands of Cuban troops remain in Angola. Wouldn't Angola and the region itself be better off with all foreign forces out of that country, South African forces and Cuban forces?

The history of foreign conquest in Africa is replete with examples of armed foreigners who came with the professed purpose of helping others but who stayed in order to help themselves. The withdrawal of Cuban forces from Angola in a parallel framework with South Africa's departure from Namibia is the key to the settlement we all desire. In the final analysis, it is also the surest way to guarantee Angola's long-term security and independence. The United States wants the earliest possible independence for Namibia. At the same time, the United States wants an end to Angola's suffering and to the dangerous cycle of violence in the region. My government is not ashamed to state the U.S. interest in seeing an end to the presence of Cuban forces in Angola. Their introduction 7 years ago tore the fabric of reciprocal restraint between the United States and the Soviet Union in the developing world. Such restraint is vital if African regional security and the global balance are to be maintained.

We recognize there will be no agreement unless all the parties know that their security is protected. We also recognize there will be no settlement unless each party is prepared to make the concessions necessary. If the challenge is accepted, we believe peace can be achieved and a brighter future for southern Africa can begin. The substantial progress already made is based on a diplomatic partnership of equals in which all parties share burdens. That partnership remains vital in our continuing efforts for peace. In the search for that peace, the United States seeks constructive relations with all the states of southern Africa. We are building bridges of communication to each nation in the region, including South Africa.

However, we will not ignore or disguise our strong belief in the importance of justice and equality before the

in which all citizens participate and from which all benefit. The rule of law, the principles of consent and participation in the political process, and the right of every human being to citizenship which reflects these principles are to Americans a sacred trust. We will not betray this trust.

Nor can we escape reality: If there is to be security in southern Africa, South Africa must be involved in shaping it. If there is to be constructive change in South Africa, South Africans of all races—not foreigners—must be the ones who shape the pattern of that change. The United States is working for constructive change in ways that benefit all South Africans. Our actions match our words, as our deepening involvement in expanding educational, social, and economic opportunities for black South Africans demonstrates. We also believe there is a relationship between the security of southern Africa and the pace of peaceful change within South Africa. We do not believe that armed conflict must be the road to justice, and we doubt that it can be the road to lasting freedom and well-being.

Support for Human Rights and Regional Stability

The United States believes that it can be helpful in advancing the frontier of freedom and observance of human rights, not only in southern Africa but in Africa as a whole. Without respect for human rights, there is a great risk that Africa's enormous human potential will be wasted. Fear and intimidation keep people from working to achieve their aspirations, from contributing to the common good, and from pursuing the democratic principles and ideals that are denied for too many in the world today. Narrowing political participation by their citizens can be highly counterproductive. African nations that have devised their own national democratic institutions broaden public participation in government, protect the integrity of the individual, and expand the frontier of economic freedom for the ultimate good of all.

In Kenya respect for individual rights is written in your constitution. Democratic institutions that embody the

instability and a loss of confidence at home and abroad. My visit to Africa has shown me encouraging examples of African nations that are building their own institutions to broaden political participation and advance the frontier of freedom. We realize, however, that nations cannot reap the benefits of individual freedom in an environment of insecurity. We attach high importance to strengthening Africa's security and are prepared to be Africa's partner in building the necessary conditions for security.

We have no interest in an East-West confrontation in Africa; such a confrontation increases the threat to world peace. The goal of the United States in Africa is to help establish a framework for restraint and broad rules of conduct which discourage the use of outside force in African conflicts and encourage peaceful settlement of conflicts in the region. In this area our goal is consistent with the goals enshrined in the Charter of the Organization of African Unity.

At the same time, the United States is deeply sensitive to the threats which individual nations and the regions of this continent face and probably will continue to face. Internal stability, often fueled by outside interference, and longstanding border and ethnic disputes tax heavily the resources of African governments. The United States has no mandate to act as a policeman in Africa, and it seeks no such role. But neither do we believe that the sovereignty of African nations will be preserved if the West is unable or unwilling to respond to the legitimate defense needs of its friends in Africa. The United States intends to be a reliable partner both in working with our friends on a long-term basis to meet these needs and in responding to their urgent requirements in emergency situations. We have done so in the past; we are doing so today. Let there be no doubt about our determination and capability to do so in the future.

At the same time, our overall concern, including the concern that guides our military assistance, is to dissuade countries from undertaking military solutions and to encourage negotiated settlements of differences between them. We believe negotiated solutions are possible for even the most difficult and longstanding disputes on the conti-

nent. We are ready to lend whatever support we can to those efforts in Africa and to give them the highest priority. In this view, we believe that Africa's capacity for collective security deserves our help. We will, when asked, support multinational peacekeeping forces that Africa creates in its own defense. The record of the United States in support of the OAU peacekeeping role in Chad is the most recent illustration of the importance we attach to regional security. We want African nations to be able to defend their interests and resolve their problems without foreign intervention.

Response to Economic Crisis

Real security, and with it the confidence that can enhance prospects for peace, cannot be achieved without sustained economic growth. During my travels, I have seen Africa's most serious economic crisis in more than 40 years. Because African countries are often dependent on one or two export commodities—and because they have borrowed heavily to spur growth and meet the costs of higher oil prices—they have been vulnerable to commodity fluctuations, high interest rates, and to the impact of world recession. There has been a long, slow decline in per capita food production, population has increased rapidly, and balanced growth has not occurred. Many nations have experimented with subsidies, centralized economic direction, and extensive public ownership of industry and commerce. Those strategies have proved costly.

The present state of the global economy is not of Africa's making. In the world economic system, the United States has a special responsibility not only to put its own house in order but to help rekindle growth in other lands. We are deeply committed to that task, and to achieve it the American people are making real sacrifices. We are confident that when we are successful Africa will benefit quickly and significantly.

At the most fundamental level, we will remain concerned about those imperiled by strife and starvation. We have taken the lead both in mobilizing international relief efforts to help African refugees and in providing emergency assistance. In the past 2 years the United States has provided Africa \$187 million for such programs. But we are equally concerned about the underlying problems which produce

such a situation, forcing austerity on all African nations. It points to the need for reexamination of economic strategies and national economic policies. It would be a mistake to view this period as only a temporary phenomenon and to believe that as the world recession begins to ease, Africa will be able to resume an easy path of growth and diversity. On the contrary, in the current situation many fundamental decisions must be made about the future of African development, about the priorities of agriculture and other sectors, and about the degree of sacrifice that should be demanded of the various elements of the population. How these decisions are made will affect the future of African development for decades to come.

We in the United States admit that there are serious differences among experts over the best path to development. We believe that there should be a full exchange among all those involved in African development. We must reach a common agreement regarding the kinds of programs which must be developed, financed, and mobilized. Discipline and self-reliance are necessary. Courageous leadership is necessary. Now is the time for fresh thinking, an eschewing of old ideologies that have not passed the test of experience.

We are prepared to help give African governments the wherewithal and the international political and financial backing to take the steps where necessary to restructure their economies.

During the past 2 years, a growing number of African countries have applied to the International Monetary Fund (IMF) for assistance in meeting immediate balance-of-payments crises. This has led to difficult adjustments in exchange rates, budgets, and other aspects of economic policy.

Recognizing the fundamental nature of the development crisis, we have encouraged a more comprehensive approach by both donors and multilateral agencies in Africa. We have urged that reform be supported with short-term foreign exchange and development assistance adequate to fuel the recovery process. We are fully aware of the importance of debt in this equation. Where countries are making serious efforts to restructure their economies, relief from heavy debt must be part of the foreign exchange program. For our part, we are

still remains committed to Africa's stabilization and growth. Our bilateral economic aid for all of Africa now totals approximately \$800 million a year and extends to 46 countries throughout Africa. It encompasses a variety of programs, including fast-disbursing balance-of-payments support, food aid, and development assistance. Including the U.S. contribution to multilateral programs, our total economic aid to sub-Saharan Africa is in excess of \$1.4 billion annually. Of the multilateral portion, the largest share by far—almost \$300 million per year—goes to the soft loan programs of the World Bank's International Development Association.

The Reagan Administration has placed a new emphasis on the role of private enterprise in development. In Africa, as elsewhere, we define "private sector" broadly to include small businesses and farmers, as well as large corporations. Our aid planners are seeking new ways to help develop market institutions and more effective incentives for farmers. Wherever possible, we are encouraging mutually beneficial partnerships between large and small American companies and their African counterparts. The recent enactment of export trading legislation supported by President Reagan will make it possible for small and medium-size U.S. firms to pool expenses and thereby play a more active economic role in Africa.

The economic task that you and we face is enormous. But it is far from impossible if we all work together in a wise and understanding partnership. The exact nature of that cooperation will be as varied as the countries of Africa, but it will have some common elements. We, the industrialized countries, must help Africans manage their debt burden so that private credit, which is so essential to growth, can resume and increase. We must support successful economic policies at both the national and regional levels. We must seek greater coordination among Africa's friends who wish to finance development. The importance of Africa's economic future demands that we do no less.

As we all look to the future and decide how Africa and the United States can work together, the agenda of issues we face is long. It includes essential issues of security, peacemaking, human rights, and economic progress. It calls for a commitment to the principles of freedom

The United States is a friend who respects your potential and shares your commitment to maintaining the hard-won prize of freedom. With respect to that freedom, our nations are equals who must be prepared to work together,

The U.S. and Africa in the 1980s

**Secretary Shultz
World Affairs Council
Boston
February 15, 1984**

Many Americans have images of Africa that are anachronistic, partial, and often inaccurate. The perception of Africa that most of us grew up with—unknown lands somehow exotic and divorced from the rest of the world—has unfortunately persisted in some quarters despite the last 25 years of Africa's independence and increasing presence on the world stage. It is a misperception that ignores compelling realities. One out of every eight people in the world now lives in Africa, and this proportion is growing. Africa south of the Sahara—which is my principal concern this evening—is taking on increasing importance in several respects.

First, we have a significant geopolitical stake in the security of the continent and the seas surrounding it. Off its shores lie important trade routes, including those carrying most of the energy resources needed by our European allies. We are affected when Soviets, Cubans, and Libyans seek to expand their influence on the continent by force, to the detriment of both African independence and Western interests.

Second, Africa is part of the global economic system. If Africa's economies are in trouble, the reverberations are felt here. Our exports to Africa have dropped by 50% in the last 3 years; American financial institutions have felt the pinch of African inability to repay loans. And Africa is a major source of raw materials crucial to the world economy.

making sacrifices and taking tough decisions at the same time. Each of us has a share of the burden to carry; each has a contribution to make. All have a better future to gain. This is the meaning of a true partnership. ■

Third, Africa is important to us politically because the nations of Africa are now major players in world diplomacy. They comprise nearly one-third of the membership of the United Nations, where they form the most cohesive voting bloc in the General Assembly.

Finally, Africa is important to us, most of all, in human terms. Eleven percent of America's population traces its roots to Africa; all of us live in a society profoundly influenced by this human and cultural heritage. The revolution of Africa's independence coincided with the civil rights revolution in this country. Perhaps it was not a coincidence. Both were among the great moral events of this century: a rebirth of freedom, summoning all of us to a recognition of our common humanity. Just as the continued progress of civil rights is important to the moral well-being of this country, so too the human drama of Africa—its political and economic future—is important to the kind of world we want our children and grandchildren to inherit.

Africa's Economic Crisis

Sub-Saharan Africa includes 45 countries with an estimated population of nearly 400 million occupying over 9 million square miles. It is a continent of enormous diversity. Yet today, virtually all sub-Saharan nations are in an economic crisis of stark proportions. This is Africa's most urgent problem.

Per capita food production has fallen by 20% in the last 20 years. Rapid inflation has had a devastating effect. Each African over the past 3 years has seen his real income decrease by 2%-3% a year. Prolonged drought has wreaked ecological havoc across the continent, from the western Sahel to Mozambique in the east. Famine threatens tens of thousands, and malnutrition debilitates

displaced in their own countries by drought, civil strife, or other hardship. It is a vast human tragedy.

World recession has touched every nation, but to African countries it has dealt a body blow. Six pounds of Zambian copper, for example, would buy a barrel of oil in 1970; today it takes 43 pounds of copper per barrel. Chronic balance-of-payments deficits—the result of low prices for African exports coupled with high prices for imports—have caused mounting debt and the virtual bankruptcy of several national treasuries. The skyrocketing price of oil in the last decade distorted the economies of the continent's few oil producers and devastated its many petroleum importers. Meanwhile, the continent's population continues to grow at a rate of 2%–3% a year and can expect almost to double by the year 2000.

Recovery in the United States and other major economies will help Africa, but it will not be enough to change the situation fundamentally or to make Africa less vulnerable to future buffeting by world economic forces. This is because some of the most important causes of Africa's economic stagnation are home grown. A World Bank report states bluntly that:

The immediate and continuing economic crisis in Africa is overwhelmingly a production crisis. It is a crisis which has risen from the widespread adoption of . . . inappropriate production incentives.

Aiming at rapid development, African countries tried to mobilize scarce resources by relying on government controls and state-supported industrialization. But subsidies, price controls, and other regulations have burdened national budgets and skewed the allocation of resources. Agriculture, the backbone of most African economies, suffered from neglect and disincentives to expand or to raise production. The private sector was often subjected to state interventions and, moreover, bore the brunt of taxation to support burgeoning bureaucracies.

In several African states, the government payroll eats up more than half the national budget. The cumulative effect of an excess of government has been stagnation instead of development. Higher deficit spending, higher external debt, increased urban migration, infla-

Africa is now the weakest component of our interdependent global economy. Declining African markets and growing regional insolvency are a significant drag on global recovery, with a particular impact on Europe. In short, the West cannot afford—and we will not sit idly by and watch—the accelerating decline of Africa's economy.

The Search for Solutions

How can these awesome problems be solved? We have to start with three basic truths.

The first basic truth is that our common humanity compels us to respond to the specter of famine across sub-Saharan Africa. At President Reagan's direction, we have already provided record levels of food assistance. We now are asking the Congress for a supplemental \$90 million in emergency food supplies. We committed over 200,000 tons of food during the first 4 months of this fiscal year. Requests for an additional 150,000 tons are in hand from African governments and requests are expected for an equal amount this year.

But looking to the future, there is need to stem the long-term decline in food production that is undermining African economies. There is need to boost productivity across the board.

The second basic truth, in other words, is that nothing the United States and other aid donors can do for Africans will have half the impact of what Africans can do for themselves. We will do our part in providing assistance where it can be effective, but without disciplined efforts by Africans, very little of it will be effective.

The third basic truth is just as there are limits to what foreign governments can do, there are limits to what national governments can do. Although development is a complex process, the requisites for growth are not a mystery: Africa is likely to break out of its stagnation only if reforms are undertaken to restore incentives to produce. This means allowing Africa's farmers to receive the prices their crops command in the market. It means letting the private sector do what it can and conserving government resources for what only it can do. It means better fiscal and monetary management.

Fortunately, many African govern-

Administration intends to respond to those who are doing so.

We have requested \$1 billion for food aid and economic assistance for Africa in fiscal year (FY) 1985. This is a 25% increase above FY 1983. Our development assistance programs are cast for the long term. They are tailored to promote self-sufficiency and local initiative. They are not designed to perpetuate on an international scale the dependency on government that has so added to the problem.

New U.S. Economic Policy Initiative

Beyond this basic assistance, the President is proposing a new special effort: an Economic Policy Initiative for Africa. As we announced on January 30, we expect to ask the Congress for a 5-year, \$500-million program, beginning with \$75 million for FY 1985. The program will offer tangible support for those countries prepared to undertake the policy reforms needed to improve productivity. We will not allocate these funds in advance, but rather we will respond to constructive reforms where and when they are undertaken.

We are asking the international community to join us. The aid-giving countries, indeed, must do a better job. There are multiple projects and multiple donors operating, as often as not, with little coordination and, on occasion, ill advisedly. More than one white elephant plods the African landscape. We are urging the World Bank to expand its coordinating role among donors and to take the lead with African governments in evolving policy reforms.

In addition to emergency food aid, ongoing economic assistance, and the Economic Policy Initiative, the Administration is planning other measures to help Africa become a more dynamic part of the global economic system.

- We will continue to stress private-sector development in Africa. Where desired, we will provide concessional loans for African entrepreneurs; we will offer technical assistance in adapting laws and institutions to attract investment, preparing prefeasibility studies for projects, and promoting awareness of investment opportunities in Africa.

- One of Africa's greatest resources—the bounty of the seas which ring the continent—has up to now been inadequately exploited. We plan to help some West African countries create and improve their fisheries management pro-

to reduce the damage that destroys all the fish brought ashore.

- The President has already recommended to Congress that it extend the generalized system of preferences and exempt least developed countries from some of the more onerous international trade regulations. African countries need to diversify their exports, and we will help them do so. Trade, we hope, will be a powerful factor for growth. Already, the \$6-billion U.S. trade deficit with sub-Saharan Africa is acting as an enormous contribution to African economic expansion, far more substantial than official or multilateral aid.

- We shall increase our support for African regional economic organizations such as the African Development Bank and Fund.

- We will continue and expand our multiyear food assistance programs. These programs encourage African governments to use the proceeds from sales of foodstuffs to finance long-term agricultural development, and they are linked to policy reforms that encourage greater local food production.

- We will participate fully in the ICARA II conference [the second International Conference for Assistance to Refugees in Africa] in July of this year, an international effort to find enduring solutions to Africa's refugee problems.

Regional Security

Tonight, I have focused on the role we have to play in confronting Africa's economic crisis. But I cannot ignore the other concerns. Africa needs stability and an end to conflict to get on with the important tasks of national development. Many African nations face real security threats. New and fragile political institutions are particularly vulnerable. Where economies falter and fail to provide the basics of existence and hopes for a better future, political instability can result. It is difficult for democracy to flourish; authoritarian solutions may appear more attractive but often only serve to make problems worse while circumscribing human and political rights.

In this environment, outside powers are tempted to exploit instability. There is no excuse for some 35,000 Cuban troops in Africa—trained, equipped, financed, and transported by the Soviet Union—inserting themselves into local conflicts, and thereby internationalizing local problems. This Soviet/Cuban med-

dles Africa's nonalignment; it injects an East-West dimension where none should be, making fair solutions harder to achieve.

We do not view Africa through the prism of East-West rivalry. On the other hand, Africa does not exist on some other planet. It is very much a part of today's world. Africa helps to shape the global structure—through its economic expansion or decline, by its weight in international forums, through its expanding web of bilateral and multilateral links with the major powers, and through its conflicts. At the same time, it is shaped by the global structure—by the shifts in the global balance of power, by the broader marketplace of ideas and technologies, and by the readiness of predators and partners to contribute to or detract from its development. We, and Africa, ignore these facts at our peril.

We are not the gendarmes of Africa. But to stand by and do nothing when friendly states are threatened by our own adversaries would only erode our credibility as a bulwark against aggression not only in Africa but elsewhere. Therefore, we have been ready, together with others, to provide training and arms to help our friends defend themselves.

And we act rapidly when the situation demands. Last summer, when Chad was again invaded by Libyan troops, we rushed military supplies to the legitimate government there and helped halt the Libyan advance. Libya's destabilization efforts have come to be an unfortunate fact of African existence. It is an unacceptable fact. We will continue to work with others to help African states resist Qadhafi's overt aggression and covert subversion.

In West and Central Africa as well as in the Horn—that critically important area which sits on Africa's right shoulder along the Red Sea—we help our friends, and we protect our own strategic interests. We encourage the regional parties to seek their own peaceful solutions to local conflicts.

We continue to emphasize, as we should, economic and humanitarian assistance over military aid. This year the ratio will continue at five to one. The Soviets, of course, provide minimal economic assistance to sub-Saharan Africa and rarely participate in humanitarian relief. They seek to buy their influence in Africa through the provision of arms. In the past decade, Moscow has contributed less than 1% of Africa's foreign economic assistance but

Our policy of promoting peaceful solutions to regional conflicts applies, as a priority, to southern Africa. Our strategy in southern Africa is to work with the parties concerned to promote fundamental and far-reaching change in three areas:

- To build an overall framework for regional security;
- To bring about an independent Namibia; and
- To encourage positive change in the apartheid policy of South Africa itself.

Regional security is essential because our goals in the region are best served by a climate of coexistence in which the sovereignty and security of all states are respected. Economic reform and development, political pluralism, removal of outside forces, peaceful change in South Africa, and Namibian independence are more likely to be achieved in conditions of strengthened security and reduced violence.

The United States has no military bases or troops in southern Africa—and never has. In stark contrast, Moscow and Havana have sent nearly 25,000 Cuban troops to Angola alone, compounding the problem of insecurity in southern Africa.

Our diplomacy has not groped for quick fixes or instant remedies to complex and deeply rooted problems. Our role is that of a catalyst, an honest broker. We have made clear we will exert ourselves where we are welcome. And welcome we are. Today, none of the region's leaders—whether in Lusaka or Pretoria, in Dar es Salaam or Maputo—is asking that we disengage. They all seek more, not less, American participation in helping negotiate solutions.

It is too soon to predict breakthroughs. Southern Africa today is at an early, pioneering stage on the road of peaceful change. The countries of the area must build that road; no one can do it for them. There are many bridges to be built and deep gulfs of suspicion, fear, and hatred to be overcome. But there are encouraging signs. We see a growing realism on all sides about the risks of open-ended conflict. Military solutions offer no hope. We detect a welcome glimmer of recognition that there are, indeed, common interests that bind the states of southern Africa together. After several years of tension and threats, openings for peace are

active and energetic encouragement of the United States.

We have helped foster a dialogue, for example, between South Africa and Mozambique. Ours is a balanced role whose only tilt is toward the principles of peaceful settlement and respect for territorial integrity and sovereignty—principles enshrined in the Charters of the United Nations and the Organization of African Unity. We have made clear to both sides that our goal is to nurture mutual security. In such a climate we are prepared to do our part to assist in Mozambique's development and to bolster its chances for genuine nonalignment. And we have moved swiftly to respond to the cyclones and drought that have repeatedly brought Mozambique to the edge of disaster.

Our strengthened relationship with Mozambique has developed against a backdrop of concrete progress in its dialogue with South Africa. Today, leaders of the two countries are hammering out a basis of understanding and cooperation in the fields of security, transport, trade, energy, and tourism.

Let me emphasize that these are fragile beginnings. But they symbolize what could become a broader pattern. We are helping to keep open existing channels of communication or to build new ones among other neighbors as well—South Africa, Zambia, Zimbabwe, Lesotho, Malawi, Botswana, and Swaziland. We are uniquely placed to play this facilitating role: unique among outside powers, we are able to talk to all the diverse elements of the region. The broader pattern can take hold if it is based on the perception of enhanced security and mutual respect.

South Africa recently announced its intent to reopen talks with the International Atomic Energy Agency on safeguard arrangements for its commercial nuclear enrichment facilities and to adhere to the London Supplier Group guidelines for export of sensitive materials. These moves flow from and can contribute to an environment of strengthened security. They did not happen by accident. They are the direct result of our open and active policy of constructive engagement.

I have mentioned our efforts to bring about Namibian independence, respect for borders, and the removal of Cuban forces from Angola. These remain key objectives. We and our four Western partners—Britain, France, Canada, and Germany—working closely with the UN Secretary General and the

dependence. In parallel, we are seeking to create conditions of greater confidence and security that could trigger the necessary decisions by Angola and South Africa that would set the process in motion.

Recent events suggest a clearly positive evolution. A disengagement of forces in southern Angola is underway. Directly and indirectly, the key parties are communicating ideas and proposals to move the negotiations forward. Having defined the agenda and served as a catalyst, we are facilitating a step-by-step process that *could*—and I emphasize *could*—lead to further progress. We have not yet reached a settlement. Progress is fragile, and the situation remains complex. Our task is to consolidate what has started and build upon it in the weeks and months ahead. This is the work of persistent, quiet diplomacy.

Our efforts for peaceful change have not neglected South Africa's internal policies. President Reagan has called apartheid "repugnant." It is also a source of tension and instability in the whole region. Thus, we have a moral and a practical interest in seeing the peaceful emergence of a more equitable system. To that end, this Administration has sought to work with peaceful elements across the political spectrum in South Africa in support of constructive change.

We have not pursued this goal in a vacuum. We have tailored our programs, our diplomatic exchanges, and our rhetoric to the facts. Let us be candid with each other. Changes are occurring—in black education and housing, in labor law and trade unionism, in black urban residency rights, in the extension of certain political rights to the colored and Asian communities. South Africa's white electorate has given solid backing to a government that defines itself as committed to evolutionary change.

These steps are not by themselves solutions; they reflect a series of unilateral moves, not a process of negotiation among South Africans. The majority of South Africans remains without the fundamental human right of citizenship in their own country. Blacks are denied national political rights and cannot yet compete on an equal footing in South Africa's dynamic economy. Arbitrary forced removals have uprooted long-settled communities. I could go on with the positive and negative sides of the balance sheet. But the fact of change is clear.

participate in this process, and it is our obligation to lend whatever support we can to those who seek peaceful change. And we are right to recognize that a process of change has indeed begun, however, imperfect it may be and however arduous it sometimes appears.

The United States has sought to assist the process of change by encouraging American labor unions to assist in the development of black labor unions, by programs to assist black managers and entrepreneurs, and by promoting over \$26 million in scholarship assistance for young black South Africans. We have substantially expanded our support to civil and human rights organizations. With the encouragement of the Congress, we are designing new programs to strengthen legal institutions and legal skills. And we have backed the impressive efforts of American businesses to provide equal treatment and expanded opportunities for all their workers, regardless of race.

Economic development itself is a powerful engine for social and political evolution. Those who advocate disinvestment and economic sanctions would put the rug out from under those South Africans who have taken the first concrete steps toward a more equal and more equitable society.

In the West we value life, freedom, progress, and peace; the only course consistent with these values is to engage ourselves as a force for constructive, peaceful change. It is not to egg on the forces of polarization, heightening the tensions that could destabilize the entire region. It is not our business to cheer on, from the sidelines, a race war in southern Africa—or to accelerate trends that will inexorably bring such a conflict about. We should recognize our limits: we can support and encourage change but we cannot replace local initiative, institutions, and vision.

Tomorrow's Agenda

If I may leave you with one message, would be that America takes Africa at its problems seriously. We see a direct relationship between Africa's political and economic stability and the health of the Western world. We are committed to working with our African friends, with the international community, to help Africa overcome its problems.

It is in our self-interest that we do so. And it is morally right. It is in the best tradition of America. ■

U.S. Program for Peace and Arms Control

**President Reagan
National Press Club
Washington, D.C.
November 18, 1981**

Back in April while in the hospital I had, as you can readily understand, a lot of time for reflection. And one day I decided to send a personal, hand-written letter to Soviet President Leonid Brezhnev reminding him that we had met about 10 years ago in San Clemente, California, as he and President Nixon were concluding a series of meetings that had brought hope to all the world. Never had peace and goodwill seemed closer at hand. I'd like to read you a few paragraphs from that letter.

Mr. President: When we met I asked if you were aware that the hopes and aspirations of millions of people throughout the world were dependent on the decisions that would be reached in those meetings. You took my hand in both of yours and assured me that you were aware of that and that you were dedicated with all your heart, and soul, and mind to fulfilling those hopes and dreams.

I went on in my letter to say:

The people of the world still share that hope. Indeed, the peoples of the world, despite differences in racial and ethnic origin, have very much in common. They want the dignity of having some control over their individual lives—their destiny. They want to work at the craft or trade of their own choosing and to be fairly rewarded. They want to raise their families in peace without harming anyone or suffering harm themselves. Government exists for their convenience, not the other way around.

If they are incapable, as some would have us believe, of self-government, then where among them do we find any who are capable of governing others? Is it possible that we have permitted ideology, political and economic philosophies, and governmental policies to keep us from considering the very real, everyday problems of our peoples? Will the average Soviet family be better off or even aware that the Soviet Union has imposed a government of its own choice on the people of Afghanistan? Is life better for the people of Cuba because the Cuban military dictate

imperialistic designs and thus constitute a threat to your own security and that of the newly emerging nations. There not only is no evidence to support such a charge, there is solid evidence that the United States, when it could have dominated the world with no risk to itself, made no effort whatsoever to do so.

When World War II ended, the United States had the only undamaged industrial power in the world. Our military might was at its peak—and we alone had the ultimate weapon, the nuclear weapon, with the unquestioned ability to deliver it anywhere in the world. If we had sought world domination then, who could have opposed us?

But the United States followed a different course—one unique in all the history of mankind. We used our power and wealth to rebuild the war-ravaged economies of the world, including those nations who had been our enemies. May I say there is absolutely no substance to charges that the United States is guilty of imperialism or attempts to impose its will on other countries by use of force.

I concluded my letter by saying:

Mr. President, should we not be concerned with eliminating the obstacles which prevent our people—those you and I represent—from achieving their most cherished goals?

It's in the same spirit that I want to speak today to this audience, and the people of the world, about America's program for peace and the coming negotiations which begin November 30th in Geneva, Switzerland. Specifically, I want to present our program for preserving peace in Europe and our wider program for arms control.

Preserving Peace

Twice in my lifetime I have seen the peoples of Europe plunged into the tragedy of war. Twice in my lifetime Europe has suffered destruction and military occupation in wars that statesmen proved powerless to prevent, soldiers unable to contain, and ordinary citizens unable to escape. And twice in my lifetime, young Americans have bled their lives into the soil of those battlefields—not to enrich or enlarge our domain but to restore the peace and independence of our friends and allies.

But today a new generation is emerging on both sides of the Atlantic. Its members were not present at the creation of the North Atlantic alliance. Many of them do not fully understand its roots in defending freedom and rebuilding a war-torn continent. Some young people question why we need weapons—particularly nuclear weapons—to deter war and to assure peaceful development. They fear that the accumulation of weapons itself may lead to conflagration. Some even propose unilateral disarmament.

I understand their concerns. Their questions deserve to be answered. But we have an obligation to answer their questions on the basis of judgment and reason and experience. Our policies have resulted in the longest European peace in this century. Would not a rash departure from these policies, as some now suggest, endanger that peace? From its founding, the Atlantic alliance has preserved the peace through unity, deterrence, and dialogue.

First, we and our allies have stood united by the firm commitment that an attack upon any one of us would be considered an attack upon us all;

Second, we and our allies have deterred aggression by maintaining forces strong enough to insure that any aggressor would lose more from an attack than he could possibly gain; and

Third, we and our allies have engaged the Soviets in a dialogue about mutual restraint and arms limitations, hoping to reduce the risk of war and the burden of armaments and to lower the barriers that divide East from West.

These three elements of our policy have preserved the peace in Europe for more than a third of a century. They can preserve it for generations to come, so long as we pursue them with sufficient will and vigor.

Today, I wish to reaffirm America's commitment to the Atlantic alliance and our resolve to sustain the peace. And from my conversations with allied leaders, I know that they also remain

NATO's policy of peace is based on restraint and balance. No NATO weapons, conventional or nuclear, will ever be used in Europe except in response to attack. NATO's defense plans have been responsible and restrained. The allies remain strong, united, and resolute. But the momentum of the continuing Soviet military buildup threatens both the conventional and the nuclear balance. Consider the facts over the past decade:

- The United States reduced the size of its armed forces and decreased its military spending. The Soviets steadily increased the number of men under arms. They now number more than double those of the United States. Over the same period the Soviets expanded their real military spending by about one-third.

- The Soviet Union increased its inventory of tanks to some 50,000 compared to our 11,000. Historically a land-power, they transformed their navy from a coastal defense force to an open ocean fleet, while the United States, a

seapower with transoceanic alliances, cut its fleet in half.

- During a period when NATO deployed no new intermediate-range nuclear missiles and actually withdrew 1,000 nuclear warheads, the Soviet Union deployed more than 750 nuclear warheads on the new SS-20 missiles alone.

Our response to this relentless buildup of Soviet military power has been restrained but firm. We have made decisions to strengthen all three legs of the strategic triad—sea, land, and air-based. We have proposed a defense program in the United States for the next 5 years which will remedy the neglect of the past decade and restore the eroding balance on which our security depends.

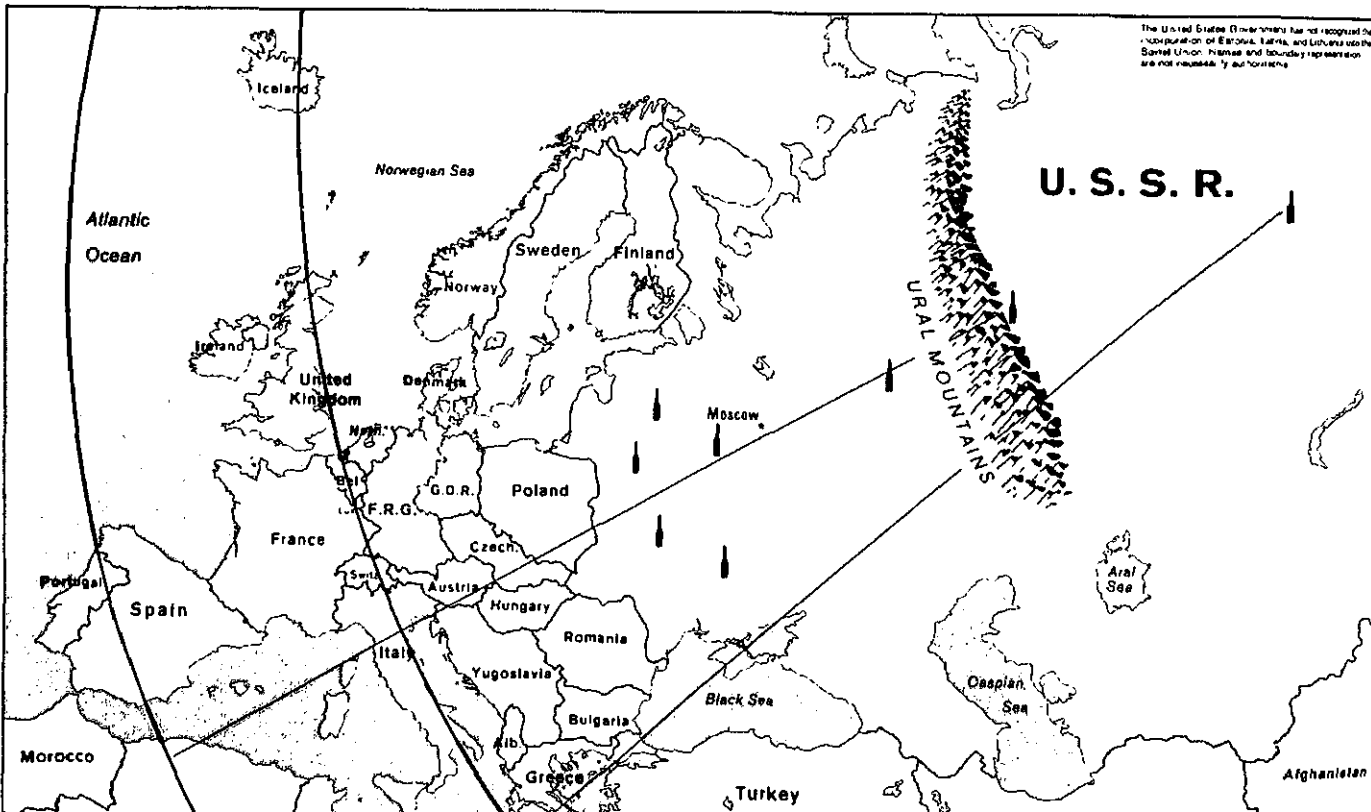
I would like to discuss more specifically the growing threat to Western Europe which is posed by the continuing deployment of certain Soviet intermediate-range nuclear missiles. The Soviet Union has three different types of such missile systems—the SS-20, the SS-4, and the SS-5—all with a range

capable of reaching virtually all of Western Europe. There are other Soviet weapons systems which also represent a major threat. The only answer to these systems is a comparable threat to Soviet targets. In other words, a deterrent preventing the use of these Soviet weapons by the counterthreat of a like response against their own territory.

At present, however, there is no equivalent deterrent to these Soviet intermediate missiles. And the Soviets continue to add one new SS-20 a week. To counter this, the allies agreed in 1979, as part of a two-track decision, to deploy as a deterrent land-based cruise missiles and Pershing II missiles capable of reaching targets in the Soviet Union. These missiles are to be deployed in several countries of Western Europe.

This relatively limited force in no way serves as a substitute for the much larger strategic umbrella spread over our NATO allies. Rather, it provides a vital link between conventional, shorter range nuclear forces in Europe and intercontinental forces in the United States. Deployment of these systems

Coverage of Europe From SS-20 Bases East of the Urals



form effectively. The most effective ball forces are, the less likely it is that we'll have to use them. So, we and our allies are proceeding to modernize NATO's nuclear forces of intermediate range to meet increased Soviet deployments of nuclear systems threatening Western Europe.

Arms Control Negotiations

Let me turn now to our hopes for arms control negotiations. There is a tendency to make this entire subject overly complex. I want to be clear and concise. I told you of the letter I wrote to President Brezhnev last April. Well, I've just sent another message to the Soviet leadership. It's a simple, straightforward, yet historic message: The United States proposes the mutual reduction of conventional, intermediate-range nuclear and strategic forces. Specifically, I have proposed a four-point agenda to achieve this objective in my letter to President Brezhnev.

The first, and most important, point concerns the Geneva negotiations. As part of the 1979 two-track decision, NATO made a commitment to seek arms control negotiations with the Soviet Union on intermediate-range nuclear forces. The United States has been preparing for these negotiations through close consultation with our NATO partners. We are now ready to set forth our proposal. I have informed President Brezhnev that when our delegation travels to the negotiations on intermediate-range land-based nuclear missiles in Geneva on the 30th of this month, my representatives will present the following proposal: The United States is prepared to cancel its deployment of Pershing II and ground-launched cruise missiles if the Soviets will dismantle their SS-20, SS-4, and SS-5 missiles. This would be an historic step. With Soviet agreement, we could together substantially reduce the dread threat of nuclear war which hangs over the people of Europe. This, like the first footstep on the moon, would be a giant step for mankind.

We intend to negotiate in good faith and go to Geneva willing to listen to and consider the proposals of our Soviet counterparts. But let me call to your attention the background against which our proposal is made. During the past 6 years, while the United States deployed

on the SS-20, SS-4, and SS-5 missiles, and the United States has no comparable missiles. Indeed, the United States dismantled the last such missile in Europe over 15 years ago.

As we look to the future of the negotiations, it is also important to address certain Soviet claims which, left unrefuted, could become critical barriers to real progress in arms control. The Soviets assert that a balance of intermediate-range nuclear forces already exists. That assertion is wrong. By any objective measure, as this chart indicates [see below], the Soviet Union has an overwhelming advantage, on the order of six to one.

Soviet spokesmen have suggested that moving their SS-20s beyond the Ural Mountains will remove the threat to Europe. As this map demonstrates, the SS-20s, even if deployed behind the Urals, will have a range that places almost all of Western Europe, the great cities, Rome, Athens, Paris, London, Brussels, Amsterdam, Berlin, and so many more; all of Scandinavia; all of the Middle East; all of northern Africa—all within range of these missiles, which incidentally are mobile and can be moved on shorter notice.

The second proposal I've made to President Brezhnev concerns strategic weapons. The United States proposes to open negotiations on strategic arms as soon as possible next year. I have in-

portant than timing. As our proposal for the Geneva talks this month illustrates, we can make proposals for genuinely serious reductions but only if we take the time to prepare carefully. The United States has been preparing carefully for resumption of strategic arms negotiations because we do not want a repetition of past disappointments. We don't want an arms control process that sends hopes soaring only to end in dashed expectations.

I have informed President Brezhnev that we will seek to negotiate substantial reductions in nuclear arms which would result in levels that are equal and verifiable. Our approach to verification will be to emphasize openness and creativity—rather than the secrecy and suspicion which have undermined confidence in arms control in the past.

While we can hope to benefit from work done over the past decade in strategic arms negotiations, let us agree to do more than simply begin where these previous efforts left off. We can and should attempt major qualitative and quantitative progress. Only such progress can fulfill the hopes of our own people and the rest of the world. And let us see how far we can go in achieving truly substantial reductions in our strategic arsenals. To symbolize this fundamental change in direction, we will call these negotiations START—Strategic Arms Reduction Talks.

Balance of Comparable US and Soviet Intermediate Range Nuclear Forces

Delivery Vehicles

4,000

3,000

2,000

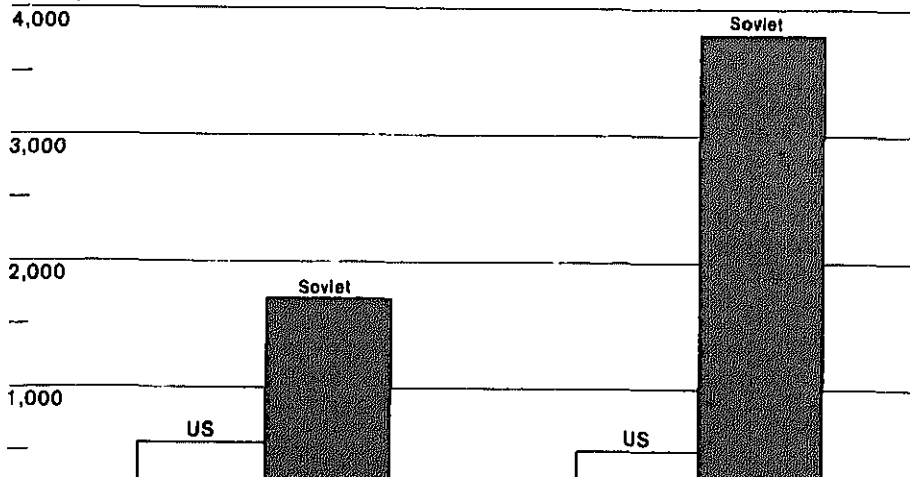
1,000

US

Soviet

US

Soviet



Type	Warheads per Missile	Number of Launchers Deployed	Total Warheads on Launchers	Range (km)	Total Warheads on Launchers	Number of Launchers Deployed	Warheads per Missile	Type
SS-20	3	250	750	4,400 to 5,000		—	—	—
SS-5	1	35	35	4,100		—	—	—
—				2,500	0 (464 planned)	0 (116 launch- ers, 4 missiles per launcher planned)	1	Ground- launched cruise missile
SS-4	1	315	315	1,900		—	—	—
—	—	—	—	1,800	0 (108 planned)	0 (108 planned)	1	Pershing II
Total		600	1,100		0 (572 planned)	0 (224 planned)		Total

The third proposal I have made to the Soviet Union is that we act to achieve equality at lower levels of conventional forces in Europe. The defense needs of the Soviet Union hardly call for maintaining more combat divisions in East Germany today than were in the whole Allied invasion force that landed in Normandy on D-day. The Soviet Union could make no more convincing contribution to peace in Europe—and in the world—than by agreeing to reduce its conventional forces significantly and constrain the potential for sudden aggression.

Finally, I have pointed out to President Brezhnev that to maintain peace, we must reduce the risks of surprise attack and the chance of war arising out of uncertainty or miscalculation. I am renewing our proposal for a conference to develop effective measures that would reduce these dangers. At the current Madrid meeting of the Conference on Security and Cooperation in Europe, we are laying the foundation for a Western-proposed conference on disarmament in Europe. This conference would discuss new measures to enhance stability and security in Europe. Agreement on this conference is within reach.

I urge the Soviet Union to join us and many other nations who are ready to launch this important enterprise.

All of these proposals are based on the same fair-minded principles: substantial, militarily significant reduction in forces; equal ceilings for similar types of forces; and adequate provisions for verification. My Administration, our country, and I are committed to achieving arms reduction agreements based on these principles. Today I have outlined the kinds of bold, equitable proposals which the world expects of us. But we cannot reduce arms unilaterally. Success can only come if the Soviet Union will share our commitment; if it will demonstrate that its often-repeated professions of concern for peace will be matched by positive action.

U.S. Concept of Peace

Preservation of peace in Europe and the pursuit of arms reduction talks are of fundamental importance. But we must also help to bring peace and security to regions now torn by conflict, external intervention, and war.

The American concept of peace goes well beyond the absence of war. We foresee a flowering of economic growth and individual liberty in a world at peace. At the economic summit conference in Cancun, I met with the leaders of 21 nations and sketched out

our approach to global economic growth. We want to eliminate the barriers to trade and investment which hinder these critical incentives to growth. And we're working to develop new programs to help the poorest nations achieve self-sustaining growth.

And terms like "peace" and "security," we have to say, have little meaning for the oppressed and the destitute. They also mean little to the individual whose state has stripped him of human freedom and dignity. Wherever there is oppression, we must strive for the peace and security of individuals as well as states. We must recognize that progress in the pursuit of liberty is a necessary complement to military security. Nowhere has this fundamental truth been more boldly and clearly stated than in the Helsinki accords of 1975. These accords have not yet been translated into living reality.

Today I have announced an agenda that can help to achieve peace, security, and freedom across the globe. In particular, I have made an important offer to forego entirely deployment of new American missiles in Europe if the

Soviet Union is prepared to respond on an equal footing.

There is no reason why people in any part of the world should have to live in permanent fear of war or its specter. I believe the time has come for all nations to act in a responsible spirit that doesn't threaten other states. I believe the time is right to move forward on

arms control and the reduction of local regional disputes at the conference table. Nothing will have a higher priority for me and for the American people over the coming months and years.

Addressing the United Nations 20 years ago, another American President described the goal we still pursue today. He said, "If we all can persevere, if we

can look beyond our own shores and ambitions, then surely the age will dawn in which the strong are just and the weak secure and the peace preserved." He didn't live to see that goal achieved.

I invite all nations to join with America today in the quest for such a world. ■

Arms Control and the Future of East-West Relations

President Reagan
Eureka College
Commencement
Peoria
May 9, 1982

Graduation day is called "commencement" and properly so because it is both a recognition of completion and a beginning. And I would like, seriously, to talk to you about this new phase—the society in which you're now going to take your place as full-time participants. You're no longer observers. You will be called upon to make decisions and express your views on global events because those events will affect your lives.

I've spoken of similarities, and the 1980s like the 1930s may be one of those—a crucial juncture in history that will determine the direction of the future. In about a month I will meet in Europe with the leaders of nations who are our closest friends and allies. At Versailles, leaders of the industrial powers of the world will seek better ways to meet today's economic challenges. In Bonn, I will join my colleagues from the Atlantic alliance nations to renew those ties which have been the foundation of Western, free-world defense for 37 years. There will also be meetings in Rome and London.

Now, these meetings are significant for a simple but very important reason. Our own nation's fate is directly linked to that of our sister democracies in Western Europe. The values for which America and all democratic nations stand represent the culmination of Western culture. Andrei Sakharov, the

distinguished Nobel Laureate and courageous Soviet human rights advocate, has written in a message smuggled to freedom: "I believe in Western man. I have faith in his mind which is practical and efficient and, at the same time, aspires to great goals. I have faith in his good intentions and in his decisiveness."

This glorious tradition requires a partnership to preserve and protect it. Only as partners can we hope to achieve the goal of a peaceful community of nations. Only as partners can we defend the values of democracy and human dignity that we hold so dear.

There is a single, major issue in our partnership which will underlie the discussions that I will have with the European leaders—the future of Western relations with the Soviet Union. How should we deal with the Soviet Union in the years ahead? What framework should guide our conduct and our policies toward it? And what can we realistically expect from a world power of such deep fears, hostilities, and external ambitions?

I believe the unity of the West is the foundation for any successful relationship with the East. Without Western unity we'll squander our energies in bickering while the Soviets continue as they please. With unity, we have the strength to moderate Soviet behavior. We've done so in the past and we can do so again.

Our challenge is to establish a framework in which sound East-West relations will endure. I'm optimistic that we can build a more constructive relationship with the Soviet Union. To do so, however, we must understand the nature of the Soviet system and the

amount of control slips from their grasp. They fear the infectiousness of even a little freedom and because of this in many ways their system has failed. The Soviet empire is faltering because it is rigid—centralized control has destroyed incentives for innovation, efficiency, and individual achievement. Spiritually, there is a sense of malaise and resentment.

But in the midst of social and economic problems, the Soviet dictatorship has forged the largest armed force in the world. It has done so by preempting the human needs of its people, and, in the end, this course will undermine the foundations of the Soviet system. Harry Truman was right when he said of the Soviets that, "When you try to conquer other people or extend yourself over vast areas you cannot win in the long run."

Yet Soviet aggressiveness has grown as Soviet military power has increased. To compensate, we must learn from the lessons of the past. When the West has stood unified and firm, the Soviet Union has taken heed. For 35 years Western Europe has lived free despite the shadow of Soviet military might. Through unity, you'll remember from your modern history courses, the West secured the withdrawal of occupation forces from Austria and the recognition of its rights in Berlin.

Other Western policies have not been successful. East-West trade was expanded in the hope of providing incentives for Soviet restraint, but the Soviets exploited the benefits of trade without moderating their behavior. Despite a decade of ambitious arms control efforts, the Soviet buildup continues. And despite its signature of the Helsinki

During the 1970s some of us forgot the warning of President Kennedy, who said that the Soviets "have offered to trade us an apple for an orchard. We don't do that in this country." But we came perilously close to doing just that.

If East-West relations in the detente era in Europe have yielded disappointment, detente outside Europe has yielded a severe disillusionment for those who expected a moderation of Soviet behavior. The Soviet Union continues to support Vietnam in its occupation of Kampuchea and its massive military presence in Laos. It is engaged in a war of aggression against Afghanistan. Soviet proxy forces have brought instability and conflict to Africa and Central America.

We are now approaching an extremely important phase in East-West relations as the current Soviet leadership is succeeded by a new generation. Both the current and the new Soviet leadership should realize aggressive policies will meet a firm Western response. On the other hand, a Soviet leadership devoted to improving its people's lives, rather than expanding its armed conquests, will find a sympathetic partner in the West. The West will respond with expanded trade and other forms of cooperation. But all of this depends on Soviet actions. Standing in the Athenian marketplace 2,000 years ago, Demosthenes said: "What sane man would let another man's words rather than his deeds proclaim who is at peace and who is at war with him?"

Peace is not the absence of conflict but the ability to cope with conflict by peaceful means. I believe we can cope. I believe that the West can fashion a realistic, durable policy that will protect our interests and keep the peace, not just for this generation but for your children and your grandchildren.

I believe such a policy consists of five points: military balance, economic security, regional stability, arms reductions, and dialogue. Now, these are the means by which we can seek peace with the Soviet Union in the years ahead. Today, I want to set this five-point program to guide the future of our East-West relations, set it out for all to hear and see.

Military Balance

First, a sound East-West military balance is absolutely essential. Last week NATO published a comprehensive comparison of its forces with those of the Warsaw Pact. Its message is clear: During the past decade, the Soviet Union has built up its forces across the board. During that same period, the defense expenditures of the United States declined in real terms. The United States has already undertaken steps to recover from that decade of neglect. And I should add that the expenditures of our European allies have increased slowly but steadily, something we often fail to recognize here at home.

Economic Security

The second point on which we must reach consensus with our allies deals with economic security. Consultations are under way among Western nations on the transfer of militarily significant technology and the extension of financial credits to the East as well as on the question of energy dependence on the East—that energy dependence of Europe. We recognize that some of our allies' economic requirements are distinct from our own. But the Soviets must not have access to Western technology with military applications, and we must not subsidize the Soviet economy. The Soviet Union must make the difficult choices brought on by its military budgets and economic shortcomings.

Regional Stability

The third element is regional stability with peaceful change. Last year in a speech in Philadelphia and in the summit meetings at Cancun, I outlined the basic American plan to assist the developing world. These principles for economic development remain the foundation of our approach. They represent no threat to the Soviet Union. Yet in many areas of the developing world we find that Soviet arms and Soviet-supported troops are attempting to destabilize societies and extend Moscow's influence.

High on our agenda must be progress toward peace in Afghanistan. The United States is prepared to engage in a serious effort to bring about a

drawal from Afghanistan, and to insure self-determination for the Afghan people.

In southern Africa, working closely with our Western allies and the African states, we've made real progress toward independence for Namibia. These negotiations, if successful, will result in peaceful and secure conditions throughout southern Africa. The simultaneous withdrawal of Cuban forces from Angola is essential to achieving Namibian independence, as well as creating long-range prospects for peace in the region.

Central America also has become a dangerous point of tension in East-West relations. The Soviet Union cannot escape responsibility for the violence and suffering in the region caused by its support for Cuban activities in Central America and its accelerated transfer of advanced military equipment to Cuba.

However, it was in Eastern Europe that the hopes of the 1970s were greatest, and it is there that they have been the most bitterly disappointed. There was hope that the people of Poland could develop a freer society. But the Soviet Union has refused to allow the people of Poland to decide their own fate, just as it refused to allow the people of Hungary to decide theirs in 1956 or the people of Czechoslovakia in 1968.

If martial law in Poland is lifted, if all the political prisoners are released, and if a dialogue is restored with the Solidarity union, the United States is prepared to join in a program of economic support. Water cannons and clubs against the Polish people are hardly the kind of dialogue that gives us hope. It is up to the Soviets and their client regimes to show good faith by concrete actions.

Arms Reduction

The fourth point is arms reduction. I know that this weighs heavily on many of your minds. In our 1931 *Prism* [Eureka College yearbook], we quoted Carl Sandburg, who in his own beautiful way quoted the mother prairie, saying, "Have you seen a red sunset drip over one of my cornfields, the shore of night stars, the wave lines of dawn up a wheat valley?" What an idyllic scene that pair

ate nightmare never occurs, that prairies and the cities and the people inhabit them remain free and un-
hindered by nuclear conflict.

wish more than anything there a simple policy that would elimi-
nate that nuclear danger. But there are
difficult policy choices through
which we can achieve a stable nuclear
peace at the lowest possible level.
I do not doubt that the Soviet people
yes, the Soviet leaders have an
 overriding interest in preventing the use
of nuclear weapons. The Soviet Union
in the memory of its leaders has
known the devastation of total conven-
tional war and knows that nuclear war
would be even more calamitous. Yet, so
the Soviet Union has used arms con-
troll negotiations primarily as an instru-
ment to restrict U.S. defense programs
in conjunction with their own arms
buildup, a means to enhance Soviet
power and prestige.

Unfortunately, for some time suspi-
cions have grown that the Soviet Union
has not been living up to its obligations
under existing arms control treaties.
There is conclusive evidence the Soviet
Union has provided toxins to the Lao-
s and Vietnamese for use against de-
pendent villagers in Southeast Asia.
The Soviets themselves are employ-
ing chemical weapons on the freedom
fighters in Afghanistan.

We must establish firm criteria for
arms control in the 1980s if we're to
have genuine and lasting restraint on
our military programs through arms
control. We must seek agreements
which are verifiable, equitable, and mili-
tarily significant. Agreements that pro-
mote only the appearance of arms control
are dangerous illusions.

Last November, I committed the
United States to seek significant reduc-
tions on nuclear and conventional forces.
At Geneva, we have since proposed
cuts on U.S. and Soviet intermediate-
range missiles, including the complete
elimination of the most threatening
systems on both sides.

In Vienna, we're negotiating,
together with our allies, for reductions
in conventional forces in Europe. In the
United Nations Committee on Disarma-
ment, the United States seeks a total
ban on all chemical weapons.

Since the first days of my Ad-

ministration, we have been working to
be undertaken deliberately, thoroughly,
and correctly. We've laid a solid basis
for these negotiations. We're consulting
with congressional leaders and with our
allies, and we are now ready to proceed.

The main threat to peace posed by
nuclear weapons today is the growing
instability of the nuclear balance. This is
due to the increasingly destructive
potential of the massive Soviet buildup
in its ballistic missile force.

Therefore, our goal is to enhance
deterrence and achieve stability through
significant reductions in the most desta-
bilizing nuclear systems—ballistic
missiles and especially the giant inter-
continental ballistic missiles—while
maintaining a nuclear capability suffi-
cient to deter conflict, to underwrite our
national security, and to meet our com-
mitment to allies and friends.

For the immediate future, I'm ask-
ing my START—and START really
means, we've given up on SALT [Strate-
gic Arms Limitation Talks], START
means Strategic Arms Reduction
Talks—negotiating team to propose to
their Soviet counterparts a practical,
phased reduction plan. The focus of our
efforts will be to reduce significantly the
most destabilizing systems—the ballistic
missiles, the number of warheads they
carry, and their overall destructive
potential.

At the first phase, or the end of the
first phase of START, I expect ballistic
missile warheads, the most serious
threat we face, to be reduced to equal
levels, equal ceilings, at least a third
below the current levels. To enhance
stability, I would ask that no more than
half of those warheads be land based. I
hope that these warhead reductions as
well as significant reductions in missiles
themselves could be achieved as rapidly
as possible.

In a second phase, we'll seek to
achieve an equal ceiling on other
elements of our strategic nuclear forces
including limits on the ballistic missile
throw-weight at less than current
American levels. In both phases, we
shall insist on verification procedures to
insure compliance with the agreement.
This, I might say, will be the 20th time
that we have sought such negotiations
with the Soviet Union since World
War II.

The monumental task of reducing
and reorganizing our strategic forces to

tary Haig to approach the Soviet
Government concerning the initiation of
formal negotiations on the reduction of
strategic nuclear arms, START, at the
earliest opportunity. We hope negotia-
tions will begin by the end of June.

We will negotiate seriously, in good
faith, and carefully consider all pro-
posals made by the Soviet Union. If they
approach these negotiations in the same
spirit, I'm confident that together we
can achieve an agreement of enduring
value that reduces the number of
nuclear weapons, halts the growth in
strategic forces, and opens the way to
even more far-reaching steps in the
future.

I hope the commencement today will
also mark the commencement of a new
era, in both senses of the word a new
start toward a more peaceful and secure
world.

East-West Dialogue

The fifth and final point I propose for
East-West relations is dialogue. I've
always believed that people's problems
can be solved when people talk to each
other instead of about each other. And
I've already expressed my own desire to
meet with President Brezhnev in New
York next month. If this can't be done,
I'd hope we could arrange a future
meeting where positive results can be
anticipated. And when we sit down, I'll
tell President Brezhnev that the United
States is ready to build a new under-
standing based upon the principles I've
outlined today. I'll tell him that his
government and his people have nothing
to fear from the United States. The free
nations living at peace in the world com-
munity can vouch for the fact that we
seek only harmony. And I'll ask Presi-
dent Brezhnev why our two nations
can't practice mutual restraint. Why
can't our peoples enjoy the benefits that
would flow from real cooperation? Why
can't we reduce the number of horren-
dous weapons?

Perhaps I should also speak to him
of this school and these graduates who
are leaving it today—of your hopes for
the future, of your deep desire for
peace, and yet your strong commitment
to defend your values if threatened.
Perhaps if he someday could attend such
a ceremony as this, he'd better under-
stand America. In the only system he

knows, you would be here by the decision of government, and on this day the government representatives would be here telling most, if not all of you, where you were going to report to work tomorrow.

But as we go to Europe for the talks and as we proceed in the important challenges facing this country, I want you to know that I will be thinking of you and of Eureka and what you represent. In one of my yearbooks, I remember reading that, "The work of the prairie is to be the soil for the growth of a strong Western culture." I believe Eureka is fulfilling that work. You, the

members of the 1982 graduating class, are this year's harvest.

I spoke of the difference between our two countries. I try to follow the humor of the Russian people. We don't hear much about the Russian people. We hear about the Russian leaders. But you can learn a lot because they do have a sense of humor, and you can learn from the jokes they're telling. And one of the most recent jokes I found kind of, well, personally interesting. Maybe it might tell you something about your country. The joke they tell is that an American and a Russian were arguing about the differences between our two countries. And the American said, "Look. In my country I can walk into the Oval Office, I

can sit at the desk with my 'President Reagan, I don't like you're governing the United States.' And the Russian said, "I can walk into the Kremlin. I can go to Brezhnev's office. I can go to Brezhnev's desk, and I can tell him, 'President, I don't like the way you're governing the United States.'"

Eureka as an institution of individuals are sustaining Western man's ideals. As we go to Europe and in the office I hold best to uphold these same ideals. Class of 1982, congratulations. Bless you. ■

Agenda for Peace

**President Reagan
Second Special Session
on Disarmament
UN General Assembly
New York
June 17, 1982**

I speak today as both a citizen of the United States and of the world. I come with the heartfelt wishes of my people for peace, bearing honest proposals, and looking for genuine progress.

Dag Hammarskjöld said 24 years ago this month, "We meet in a time of peace which is no peace." His words are as true today as they were then. More than 100 disputes have disturbed the peace among nations since World War II, and today the threat of nuclear disaster hangs over the lives of all our peoples. The Bible tells us there will be a time for peace, but so far this century mankind has failed to find it.

The United Nations is dedicated to world peace and its charter clearly prohibits the international use of force. Yet the tide of belligerence continues to rise. The charter's influence has weakened even in the 4 years since the first Special Session on Disarmament. We must not only condemn aggression, we must enforce the dictates of our charter and resume the struggle for peace.

The record of history is clear: citizens of the United States resort to force

sphere, a peace with justice, one in which we can be confident, that America can prosper as we have known prosperity in the past."

To those who challenge the truth of those words let me point out that at the end of World War II, we were the only undamaged industrial power in the world. Our military supremacy was unquestioned. We had harnessed the atom and had the ability to unleash its destructive force anywhere in the world. In short, we could have achieved world domination but that was contrary to the character of our people.

Instead, we wrote a new chapter in the history of mankind. We used our power and wealth to rebuild the war-ravaged economies of the world, both East and West, including those nations who had been our enemies. We took the initiative in creating such international institutions as this United Nations, where leaders of goodwill could come together to build bridges for peace and prosperity.

America has no territorial ambitions, we occupy no countries, and we have built no walls to lock our people in. Our commitment to self-determination, freedom, and peace is the very soul of America. That commitment is as strong today as it ever was.

The United States has fought four wars in my lifetime. In each we struggled to defend freedom and democracy

conquest; for democracy, for freedom, not tyranny.

Watching, as I have, generations of American their lives onto far-flung protect our ideals and set law, I have known how to deter conflict. But since my Presidency, the enormity of this office has my commitment even deeper. I believe responsibility is shared by all.

On our recent trip to France, my wife Nancy told me of a statue 22 feet high, that she saw on the coast of France. The base of that cliff is called Omaha Beach but countless American lives were written in the flyleaf of that book. I know it as Omaha Beach, the quiet of that French coast marked contrast to the battle that took place there on D-Day, years ago when the allies invaded the Continent. At the end of battle, 10,500 Americans missing, or killed in what was the Normandy landing.

The statue atop that cliff is "The Spirit of American Freedom From the Waves." Its image is almost too powerful to describe. The pain of war is still vivid in memory. It sends me to the shores of the United Nations

can proceed. We look around the world and see rampant conflict and aggression. There are many sources of this conflict—expansionist ambitions, local rivalries, the striving to obtain justice and security. We must all work to resolve such discord by peaceful means and to prevent them from escalation.

The Soviet Record

In the nuclear era, the major powers bear a special responsibility to ease these sources of conflict and to refrain from aggression. And that's why we're so deeply concerned by Soviet conduct. Since World War II, the record of tyranny has included Soviet violation of the Yalta agreements leading to domination of Eastern Europe, symbolized by the Berlin Wall—a grim, gray monument to repression that I visited just a week ago. It includes the takeovers of Czechoslovakia, Hungary, and Afghanistan and the ruthless repression of the proud people of Poland. Soviet-sponsored guerrillas and terrorists are at work in Central and South America, in Africa, the Middle East, in the Caribbean, and in Europe, violating human rights and unnerving the world with violence. Communist atrocities in Southeast Asia, Afghanistan, and elsewhere continue to shock the free world as refugees escape to tell of their horror.

The decade of so-called detente witnessed the most massive Soviet buildup of military power in history. They increased their defense spending by 40% while American defense spending actually declined in the same real terms. Soviet aggression and support for violence around the world have eroded the confidence needed for arms negotiations. While we exercised unilateral restraint they forged ahead and today possess nuclear and conventional forces far in excess of an adequate deterrent capability.

Soviet oppression is not limited to the countries they invade. At the very time the Soviet Union is trying to manipulate the peace movement in the West, it is stifling a budding peace movement at home. In Moscow, banners are scuttled, buttons are snatched, and demonstrators are arrested when even a few people dare to speak about their fears.

Eleanor Roosevelt, one of our first ambassadors to this body, reminded us

deep contrast to our performances."

U.S. Leadership in Disarmament and Arms Control Proposals

My countrymen learned a bitter lesson in this century: The scourge of tyranny cannot be stopped with words alone. So we have embarked on an effort to renew our strength that had fallen dangerously low. We refuse to become weaker while potential adversaries remain committed to their imperialist adventures.

My people have sent me here today to speak for them as citizens of the world, which they truly are, for we Americans are drawn from every nationality represented in this chamber today. We understand that men and women of every race and creed can and must work together for peace. We stand ready to take the next steps down the road of cooperation through verifiable arms reduction. Agreements on arms control and disarmament can be useful in reinforcing peace; but they're not magic. We should not confuse the signing of agreements with the solving of problems. Simply collecting agreements will not bring peace. Agreements genuinely reinforce peace only when they are kept. Otherwise we are building a paper castle that will be blown away by the winds of war. Let me repeat, we need deeds, not words, to convince us of Soviet sincerity should they choose to join us on this path.

Since the end of World War II, the United States has been the leader in serious disarmament and arms control proposals.

- In 1946, in what became known as the Baruch Plan, the United States submitted a proposal for control of nuclear weapons and nuclear energy by an international authority. The Soviets rejected this plan.

- In 1955, President Eisenhower made his "open skies" proposal, under which the United States and the Soviet Union would have exchanged blueprints of military establishments and provided for aerial reconnaissance. The Soviets rejected this plan.

- In 1963, the Limited Test Ban Treaty came into force. This treaty ended nuclear weapons testing in the atmos-

Proliferation of Nuclear Weapons took effect. The United States played a major role in this key effort to prevent the spread of nuclear explosives and to provide for international safeguards on civil nuclear activities. My country remains deeply committed to those objectives today and to strengthening the nonproliferation framework. This is essential to international security.

- In the early 1970s, again at U.S. urging, agreements were reached between the United States and the U.S.S.R. providing for ceilings on some categories of weapons. They could have been more meaningful if Soviet actions had shown restraint and commitment to stability at lower levels of force.

An Agenda for Peace

The United Nations designated the 1970s as the First Disarmament Decade, but good intentions were not enough. In reality, that 10-year period included an unprecedented buildup in military weapons and the flaring of aggression and use of force in almost every region of the world. We are now in the Second Disarmament Decade. The task at hand is to assure civilized behavior among nations, to unite behind an agenda for peace.

Over the past 7 months, the United States has put forward a broad-based comprehensive series of proposals to reduce the risk of war. We have proposed four major points as an agenda for peace:

- Elimination of land-based intermediate-range missiles;
- A one-third reduction in strategic ballistic missile warheads;
- A substantial reduction in NATO and Warsaw Pact ground and air forces; and
- New safeguards to reduce the risk of accidental war.

We urge the Soviet Union today to join with us in this quest. We must act not for ourselves alone but for all mankind.

On November 18 of last year, I announced U.S. objectives in arms control agreements: They must be equitable and militarily significant, they must stabilize forces at lower levels, and they must be verifiable.

The United States and its allies have made specific, reasonable, and equitable

tion of their SS-20, SS-4, and SS-5 missiles. This proposal would eliminate with one stroke those systems about which both sides have expressed the greatest concern.

The United States is also looking forward to beginning negotiations on strategic arms reductions with the Soviet Union in less than 2 weeks. We will work hard to make these talks an opportunity for real progress in our quest for peace.

On May 9, I announced a phased approach to the reduction of strategic arms. In a first phase, the number of ballistic missile warheads on each side would be reduced to about 5,000. No more than half the remaining warheads would be on land-based missiles. All ballistic missiles would be reduced to an equal level at about one-half the current U.S. number.

In the second phase, we would reduce each side's overall destructive power to equal levels, including a mutual ceiling on ballistic missile throw-weight below the current U.S. level. We are also prepared to discuss other elements of the strategic balance.

Before I returned from Europe last week, I met in Bonn with the leaders of the North Atlantic Treaty Organization. We agreed to introduce a major new Western initiative for the Vienna negotiations on mutual balanced force reductions. Our approach calls for common collective ceilings for both NATO and the Warsaw Treaty Organization. After 7 years, there would be a total of 700,000 ground forces and 900,000 ground and air force personnel combined. It also includes a package of associated measures to encourage cooperation and verify compliance.

We urge the Soviet Union and members of the Warsaw Pact to view our Western proposal as a means to reach agreement in Vienna after 9 long years of inconclusive talks. We also urge them to implement the 1975 Helsinki agreement on security and cooperation in Europe.

Let me stress that for agreements to work, both sides must be able to verify compliance. The building of mutual confidence in compliance can only be achieved through greater openness. I encourage the Special Session on Disarmament to endorse the importance of these

and compliance. Based on a U.S. proposal, a committee has been formed to examine these issues as they relate to restrictions on nuclear testing. We are also pressing the need for effective verification provisions in agreements banning chemical weapons.

The use of chemical and biological weapons has long been viewed with revulsion by civilized nations. No peace-making institution can ignore the use of these dread weapons and still live up to its mission. The need for a truly effective and verifiable chemical weapons agreement has been highlighted by recent events. The Soviet Union and their allies are violating the Geneva Protocol of 1925, related rules of international law, and the 1972 Biological Weapons Convention. There is conclusive evidence that the Soviet Government has provided toxins for use in Laos and Kampuchea and are themselves using chemical weapons against freedom fighters in Afghanistan.

We have repeatedly protested to the Soviet Government, as well as the governments of Laos and Vietnam, their use of chemical and toxin weapons. We call upon them now to grant full and free access to their countries or to territories they control so that U.N. experts can conduct an effective, independent investigation to verify cessation of these horrors.

Evidence of noncompliance with existing arms control agreements underscores the need to approach negotiation of any new agreements with care. The democracies of the West are open societies. Information on our defenses is available to our citizens, our elected officials, and the world. We do not hesitate to inform potential adversaries of our military forces and ask in return for the same information concerning theirs. The amount and type of military spending by a country are important for the world to know, as a measure of its intentions, and the threat that country may pose to its neighbors. The Soviet Union and other closed societies go to extraordinary lengths to hide their true military spending not only from other nations but from their own people. This practice contributes to distrust and fear about their intentions.

Today, the United States proposes an international conference on military expenditures to build on the work of this body in developing a common system for

sources we allocate to our armed forces. Last Friday in Berlin, I said that would leave no stone unturned in the effort to reinforce peace and lessen the risk of war. It's been clear to me that steps should be taken to improve mutual communication and confidence and lessen the likelihood of misinterpretation.

I have, therefore, directed the exploration of ways to increase understanding and communication between the United States and the Soviet Union in times of peace and of crisis. We will approach the Soviet Union with proposals for reciprocal exchanges in such areas as advance notification of major strategic exercises that otherwise might be misinterpreted; advance notification of ICBM [intercontinental ballistic missile] launches within, as well as beyond, national boundaries; and an expanded exchange of strategic forces data.

While substantial information on U.S. activities and forces in these areas already is provided, I believe that joint and regularly sharing information would represent a qualitative improvement in the strategic nuclear environment and would help reduce the chance of misunderstandings. I call upon the Soviet Union to join the United States in exploring these possibilities to build confidence, and I ask for your support of our efforts.

Call for International Support

One of the major items before this conference is the development of a comprehensive program of disarmament. We support the effort to chart a course of realistic and effective measures in the quest for peace. I have come to this to call for international recommitment to the basic tenet of the U.N. Charter—that all members practice tolerance and live together in peace as good neighbors under the rule of law, forsaking arms force as a means of settling disputes between nations. America urges you to support the agenda for peace that I have outlined today. We ask you to reinforce the bilateral and multilateral arms con-

reats to peace. e, who have signed the U.N. er, have pledged to refrain from eat or use of force against the ry or independence of any state. ic times when more and more law- ts are going unpunished—as some rs of this very body show a grow- regard for the U.N. Charter—the oving nations of the world must nn aggression and pledge again to a way that is worthy of the ideals e have endorsed. Let us finally he charter live.

late spring, 37 years ago, repre- ves of 50 nations gathered on the ide of this continent, in the San co Opera House. The League of s had crumbled and World War II ged, but those men and nations etermined to find peace. The was this charter for peace that is mework of the United Nations. sident Harry Truman spoke of ival of an old faith—the ever- moral force of justice prompting N. conference. Such a force re- strong in America and in other es where speech is free and citi- ve the right to gather and make inions known.

sident Truman said, "If we pay merely lip service to inspir- ists, and later do violence to sim- ice, we would draw down upon bitter wrath of generations yet ." Those words of Harry Truman ecial meaning for us today as we h the potential to destroy civiliza-

e must learn to live together in he said. "We must build a new a far better world." at a better world it would be if s were silent; if neighbor no nroached on neighbor and all were free to reap the rewards of il and determine their own and system of government— er their choice.

ing my recent audience with His s Pope John Paul II, I gave him lge of the American people to do ing possible for peace and arms n. The American people believe real and lasting peace to be their rust.

United Nations, Hammar-skjold said, was born out of the cataclysms of war. It should justify the sacrifices of all those who have died for freedom and justice. "It is our duty to the past," Hammar-skjold said, "and it is our duty to the future, so to serve both our nations and the world."

As both patriots of our nations and the hope of all the world, let those of us assembled here in the name of peace deepen our understandings, renew our

people—the rank and file of his own country or her own country—want him or her to do?

Isn't it time for us to really repre- sent the deepest, most heartfelt yearn- ings of all of our people? Let no nation abuse this common longing to be free of fear. We must not manipulate our peo- ple by playing upon their nightmares; we must serve mankind through genuine disarmament. With God's help we can secure life and freedom for generations to come. ■

Advancing the Cause of Peace and Arms Control

**Vice President Bush
Committee on
Disarmament
Geneva
February 4, 1983**

No city has done more than Geneva to advance man's oldest, yet seemingly most elusive, dream—to live at peace with his neighbors. This is the city of Rousseau, who taught us that man is born both free and good, a concept that has had the most profound effect upon my country and many others as well. It was near here that Voltaire made his home when his incisive, but often ir- reverent, mind brought down upon him the displeasure of his king. After the calamity of the First World War, the League of Nations was established and housed in this very building, in the hope that here in the free city of Geneva this embodiment of man's best intentions might prosper.

Today, the world's hopes for peace are once again focused on this city. Two vital bilateral negotiations are underway here with a single aim: to make significant reductions in the nuclear arsenals of the United States and the Soviet Union and thereby to strengthen inter- national stability and to increase the security of all states. And, in this com- mittee, multilateral efforts are in train to deal with other urgent arms control issues: how to eliminate chemical



Vice President Bush addresses Committee on Disarmament, February 4, 1983.

weapons from the world's arsenals; how to effectively verify limitations on nuclear testing; how to approach the question of possible further arms control measures affecting outer space.

My message to you is simple and unequivocal: The United States will do all that it can to create a foundation for enduring world peace through arms con-

ingness, prudence, and he has asked me to tell you that we will pursue sound and workable arms control initiatives with the utmost determination. But we will not hesitate, nor should we, to differ with approaches which are not sound or do not hold out the prospect of effective, verifiable agreements.

What are the prospects for progress here in Geneva? I would like to set forth the views of the United States on the status of our efforts—both bilateral and multilateral—to advance the cause of peace by reaching agreement on effective arms control measures.

President Reagan assumed office at a time of increasing concern among the American people over the behavior of the Soviet Union and its allies. In its foreign policy, as well as in the relentless buildup of its military forces, the Soviet Union has appeared determined to advance its own interests at the expense of everyone else's. This determination was reflected in the invasion of Afghanistan, in the suppression of human rights in Poland, in the use of chemical and toxin weapons in Southeast Asia and Afghanistan in violation of customary international law and existing international conventions, and in the steady accumulation of vast amounts of modern weaponry far beyond any reasonable requirements for defense.

Clearly, this behavior required a revitalization of our own defenses, which in many measures of military power had been outstripped. The United States has undertaken this effort not with a view toward conquest or intimidation but rather to maintain our ability to deter aggression and thus to defend our vital interests and those of our friends and allies against threat or coercion. I know that President Reagan would much prefer to spend our resources on other pursuits. But we will do—we must do—what is necessary to defend our interests and preserve the peace.

Principles Guiding U.S. Arms Control Efforts

But providing the means of defense is only one aspect of insuring one's security. The Reagan Administration believes that arms control measures can be a vital part of our national security and that equitable and effective verifiable arms control agreements can increase

arms control policy ever undertaken by any new administration. A new approach to arms control was necessary to deal with the changed situation in which the United States found itself as a result of Soviet actions over a decade. Arms control had not become less important. Indeed, effective arms control had, if anything, become more important, since the military balance, at all levels, had become more unstable.

President Reagan announced the general principles which guide our arms control efforts in a statement on November 18, 1981. They are worth repeating here.

First, the United States seeks to reduce substantially the number and destructive potential of nuclear weapons, not just to freeze them at high levels as has been the case in previous agreements.

Second, we seek agreements that will lead to mutual reductions to equal levels in both sides' forces. An unequal agreement, like an unequal balance of forces, *can only encourage aggression.*

Third, we seek agreements that will enhance the security of the United States and its allies and that will reduce the risk of war. Arms control is not an end in itself but a vital means toward insuring peace and international stability.

Fourth, we will carefully design the provisions of arms control agreements and insist on measures to insure that all parties comply. In other words, we will insist that agreements must be verifiable. Otherwise, the parties cannot have confidence that all are abiding by the provisions of an agreement. This is particularly important in the nuclear area, where we have proposed deep cuts in the U.S. and Soviet arsenals. It is also vital to our efforts in this committee to ban chemical weapons and to develop effective limitations on nuclear testing.

Based on these objectives, my government since then has advanced a dynamic program of arms control initiatives: in our bilateral negotiations with the Soviet Union, in the work of this committee, and—together with our allies—in the negotiations at Vienna on mutual and balanced force reductions in Europe. Let me now deal with those which are of particular interest to the members of this committee.

the world's nuclear arsenal an important challenge. The U.S. has met this challenge by what President Reagan has called the most comprehensive program of arms control ever proposed in history. These proposals are on the negotiating table here in Geneva for intermediate-range nuclear forces (INF), negotiations and in the Strategic Arms Reduction Treaty on reducing strategic nuclear

The point I want to stress is that the U.S. proposals in the negotiations entail deep and substantial cuts in U.S. and Soviet nuclear arsenals—a 50% cut in our ballistic missiles. In the negotiations, we have proposed the elimination of an entire class of weapons. Our proposals do so in a way which reduces the risk of nuclear war, and which, after all, what these negotiations are all about. Stability and security are greatly enhanced if both sides reduce their arsenals, and this is why we are proposing such major reductions.

In the INF negotiation now on the table a far-reaching proposal which would, at a range of 500 to 1,000 kilometers, eliminate an entire class of U.S. and Soviet intermediate-range missiles, the Soviet Union's greatest concern to both sides. Under our proposal, the Soviet Union would be required to eliminate its SS-20 ground-launched missiles and the United States would be required to eliminate its SS-20 ground-launched missiles. These missiles—of the type in the West as SS-4, SS-5 and SS-20—are in place now. The Soviet Union would be required to limit the deployment of its roughly 1,200 intermediate-range missiles. As you know, the Soviet Union is to be deployed in Europe this year under the decision of the NATO alliance.

The United States believes such an agreement on nuclear arms must be effective and balanced; it must genuinely reduce the nuclear threat on both sides; it must enhance strategic stability; it must lessen the risk of nuclear miscalculation; and it must be composed of elements that meet these criteria. The Soviet proposal strikes to the very heart of

significant advantages, indeed, with a monopoly over the United States in longer range INF missiles. Indeed, the ideas recently advanced by General Secretary Andropov continue to have this as their aim. We will, of course, continue to give the most serious consideration to any constructive Soviet proposal. Ours is not a take-it-or-leave-it proposition. However, we think the Soviet Union must recognize our legitimate security concerns in these talks.

We think ours is a moral—a moral—position. What is wrong with eliminating from the face of the Earth an entire class of new, deadly missiles? The only argument I have heard as to why we cannot eliminate this whole generation of INF missiles is that the Soviet Union opposes it; it simply says, "We're against it." I simply don't believe, in this awesome nuclear age, that that's good enough. So our challenge to the Soviet leadership is: Come up with a plan to banish these INF missiles, and let's consider openly and in frank dialogue initiatives that will achieve that moral goal.

As in the case of the negotiations on intermediate-range missiles, we are emphasizing in the START negotiations real and significant reductions in the levels of strategic armaments on both sides, down to equal ceilings. As President Reagan has pointed out, our proposals in these negotiations would eliminate some 4,700 warheads and 2,250 missiles from the combined nuclear arsenals of the United States and the Soviet Union.

We have been encouraged by the fact that the Soviet Union is negotiating seriously—we have said that publicly, and I am very pleased to repeat it again today—and has accepted the concept of reduction, although we do not find the proposal it has tabled sufficient. It fails to focus on the more destabilizing elements of strategic forces, ballistic missiles, and particularly ICBMs, and it does not go far enough in making the kind of deep reductions in ballistic missile forces that we believe to be necessary. However, we believe that the approaches provide a basis for negotiation, and we intend to explore avenues for achieving such reductions and to pursue the negotiations seriously and constructively. Indeed, our President, upon hearing of a proposal by Mr. Andropov, recognized this seriousness of purpose

delegations to both sides in the Geneva negotiations. My purpose in doing so is to emphasize the great importance which the United States—and President Reagan personally—attaches to a successful outcome in both of them. I will pass on to our negotiators the President's hope that they will press forward with speed and energy and his wishes that their efforts will meet with success. I know that all of you deeply share this hope.

I will also, as I have in other stops on this trip of mine, make clear that I am not a negotiator. The negotiators are here in Geneva, seriously talking with their Soviet counterparts now.

Banning Chemical Weapons

Let me now turn to the work directly before this committee, to which we also attach the highest importance. The committee is confronted with numerous important issues. None has a higher priority for the United States than the efforts to ban forever an entire and different class of weapons from the world's arsenals. As President Reagan has stated, the goal of U.S. policy is to eliminate the threat of chemical warfare by achieving a complete and verifiable ban on chemical weapons.

The nations of the world have already prohibited the first use of chemical and biological weapons in the Geneva Protocol of 1925 and have outlawed the possession of biological and toxin weapons in the 1972 biological and toxin weapons convention. Like most other nations at this table, the United States is a party to these treaties; and, like most others, we are in full compliance with their provisions. Beyond the provisions of these treaties, there is an even broader moral prohibition against the use of these weapons. President Franklin Roosevelt perhaps expressed it best when he said that their use "has been outlawed by the general opinion of civilized mankind."

All forms of warfare are terrible. But these weapons are particularly to be feared, because of the human suffering they can inflict. This is why the civilized world has condemned their use. Sadly, mankind has, nonetheless, had repeated demonstrations of the cruelty and horror wrought by the use of these weapons. And now, chemical and toxin weapons

agreements. These violations are made all the worse by the fact that their victims have neither the means to deter the attacks against them nor to defend or protect themselves against these weapons.

The United States presented conclusive evidence to the world community of the facts surrounding the use of chemical and toxin weapons. Others have presented evidence as well. We did not come to our conclusions seeking confrontation or rashly, but only after the most exhaustive study. The implications that flow from the use of these weapons are so serious that many would prefer to disbelieve or simply to ignore them. But we have to face the facts.

The world's progress toward more civilized relations among states has been doggedly slow and beset at every turn by fears, ambitions, and rivalries among the nations. We cannot, therefore, allow the progress which we have made to be destroyed. To do so would be to begin a relentless slide back to a new dark age of mindless barbarism. This is what is at stake, and this is what we must prevent.

So what must now be done? The United States has already called upon the Soviet Union and its allies to stop immediately their illegal use of these weapons. I repeat that call here today. And I urge the Soviet Union and all other members of the committee to join the United States in negotiating a complete and effective and verifiable ban on the development, production, stockpiling, and transfer of chemical weapons, a ban that will insure that these horrors can never occur again.

A complete, effective, and verifiable ban on chemical weapons is long overdue. My government, therefore, would like to see the work of this committee accelerated and negotiations undertaken on a treaty to eliminate the threat posed by chemical weapons.

A number of key issues, of course, must be resolved if we are to be successful in negotiating such a treaty. In the coming days, the U.S. delegation will present to this committee a new document containing our detailed views on the content of a convention we believe could effectively—more specifically, verifiably—eliminate the chemical weapons threat. We undertake this initiative with the aim of further advancing the work of the committee and to encourage contributions and cooperation

tol and through agreements to enhance international security and stability. This task is the President's highest priority, and he has asked me to tell you that we will pursue sound and workable arms control initiatives with the utmost determination. But we will not hesitate, nor should we, to differ with approaches which are not sound or do not hold out the prospect of effective, verifiable agreements.

What are the prospects for progress here in Geneva? I would like to set forth the views of the United States on the status of our efforts—both bilateral and multilateral—to advance the cause of peace by reaching agreement on effective arms control measures.

President Reagan assumed office at a time of increasing concern among the American people over the behavior of the Soviet Union and its allies. In its foreign policy, as well as in the relentless buildup of its military forces, the Soviet Union has appeared determined to advance its own interests at the expense of everyone else's. This determination was reflected in the invasion of Afghanistan, in the suppression of human rights in Poland, in the use of chemical and toxin weapons in Southeast Asia and Afghanistan in violation of customary international law and existing international conventions, and in the steady accumulation of vast amounts of modern weaponry far beyond any reasonable requirements for defense.

Clearly, this behavior required a revitalization of our own defenses, which in many measures of military power had been outstripped. The United States has undertaken this effort not with a view toward conquest or intimidation but rather to maintain our ability to deter aggression and thus to defend our vital interests and those of our friends and allies against threat or coercion. I know that President Reagan would much prefer to spend our resources on other pursuits. But we will do—we must do—what is necessary to defend our interests and preserve the peace.

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But providing the means of defense is only one aspect of insuring one's security. The Reagan Administration believes that arms control measures can be a vital part of our national security and

that security. One of the first actions taken by President Reagan was to launch the most thorough review of our arms control policy ever undertaken by any new administration. A new approach to arms control was necessary to deal with the changed situation in which the United States found itself as a result of Soviet actions over a decade. Arms control had not become less important. Indeed, effective arms control had, if anything, become more important, since the military balance, at all levels, had become more unstable.

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Based on these objectives, my government since then has advanced a dynamic program of arms control initiatives: in our bilateral negotiations with the Soviet Union, in the work of this committee, and—together with our allies—in the negotiations at Vienna on mutual and balanced force reductions in Europe. Let me now deal with those

U.S. Proposals

The problem of achieving reductions in the world's nuclear arsenals is our most important challenge. The United States has met this challenge by developing what President Reagan has called the most comprehensive program of nuclear arms control ever proposed by my country. These proposals are on the negotiating table here in Geneva—in intermediate-range nuclear forces, or INF, negotiations and in the START [Strategic Arms Reduction Talks] talks on reducing strategic nuclear forces.

The point I want to stress here is that the U.S. proposals in the START negotiations entail deep and significant cuts in U.S. and Soviet nuclear arsenals—a 50% cut in our strategic ballistic missiles. In the INF negotiations, we have proposed the elimination of an entire class of weapons. The proposals do so in a way which is balanced and which reduces the risk of war. This is, after all, what these negotiations are all about. Stability and security could be greatly enhanced if both sides thus reduced their arsenals, and it is precisely because of this that we are proposing such major reductions.

In the INF negotiations, there is now on the table a far-reaching U.S. proposal which would, at a stroke, ban an entire class of U.S. and Soviet long-range INF missiles, the systems of greatest concern to both sides. The Soviet Union now has over 600 such missiles with some 1,200 warheads, while the United States has none—zero. Under our proposal, the Soviet Union would be required to eliminate all of its ground-launched missiles of this type. These missiles—of the type referred to in the West as SS-4, SS-5, and SS-20—are in place now. The United States would be required to forgo the deployment of its roughly comparable missiles. As you know, they are scheduled to be deployed in Europe beginning this year under the decision taken by NATO alliance.

The United States believes that any such agreement on nuclear forces must be effective and balanced; it must genuinely reduce the nuclear threat to both sides; it must enhance stability; and it must lessen the risk of conflict. Our proposal meets these criteria. Indeed, it strikes to the very heart of the problem

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So what must now be done? The United States has already called upon the Soviet Union and its allies to stop immediately their illegal use of these weapons. I repeat that call here today. And I urge the Soviet Union and all other members of the committee to join the United States in negotiating a complete and effective and verifiable ban on the development, production, stockpiling, and transfer of chemical weapons, a ban that will insure that these horrors can never occur again.

A complete, effective, and verifiable ban on chemical weapons is long overdue. My government, therefore, would like to see the work of this committee accelerated and negotiations undertaken on a treaty to eliminate the threat posed by chemical weapons.

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one that could eliminate the possibility of chemical warfare forever—is the firm assurance of compliance through effective verification. This principle is fundamental. Effective verification, as the world's recent experience with the use of chemical and toxin weapons shows, is an absolute necessity for any future agreement. This is why the United States seeks a level of verification that will protect civilization, ourselves, our allies, and, indeed, humanity itself. For today, the threat of chemical warfare has increased. And until an effective agreement can be achieved, the United States, just as others, must continue to insure that it can deter the use of chemical weapons against its citizens and friends. If we are to expect nations ever to forgo the ability to deter chemical warfare, those nations must have confidence that others who accept the prohibition cannot circumvent their obligations and later threaten the peace with chemical weapons. They must be certain that they will not be attacked with such weapons by any state which, like they have, has foresworn chemical warfare. In short, for us, the verification and compliance provisions of a comprehensive chemical weapons treaty must be truly effective.

We know that most of the members of this committee, like we, are dedicated to accomplishing this important task. To do so will require more than our dedication; it will require greater willingness and flexibility on the part of the Soviet Union and its allies to work seriously and constructively on resolving the key outstanding issues—especially pertaining to the verification and compliance side. And such issues must be resolved if we are to expect to make genuine progress. For although some may argue that progress could be made by concentrating on the “easier” issues, or even by drafting treaty texts on them, this would be a fruitless exercise if the verification issue cannot be resolved. We will not support such a diversion of effort here.

I urge all members of this committee to begin negotiations in this session to resolve the key issues that face us in this area and to join with us in achieving a complete and verifiable ban on chemical weapons.

Eliminating the Threat of Nuclear War

The committee is also faced with a number of nuclear arms control issues. The elimination of the threat of nuclear war is clearly of paramount importance to all of us, and the United States fully accepts its special responsibilities in this area. We are recognizing this responsibility in the most effective way we know—here in Geneva, in good faith, across the negotiating table from the Soviet Union.

At the same time, this committee has its role to play in the area of nuclear arms control. One of the major issues before it is that of a comprehensive ban on nuclear tests. Such a ban remains a long-term goal of U.S. policy, and we will continue to work toward its achievement. The work already done in the committee by the group of scientific experts on developing a worldwide system for monitoring of nuclear explosions has been valuable. Moreover, at the suggestion of the United States, this committee formed a working group last year to study issues of verification and compliance surrounding a nuclear test ban. Verification is one area, in particular, in which the United States believes greater progress must be made if we are to make progress toward a ban on nuclear tests. Therefore, we would hope that the committee will continue its work in this area this year.

My government believes that the negotiations in this body on a convention to ban radiological weapons offer the prospect of a modest but real, genuine step forward, a step that could eliminate a potentially very dangerous type of weapon. We should take it as a cardinal rule of this committee that when there is the prospect for real progress toward an agreement, we should pursue it to its conclusion. While there are a number of issues yet to be resolved, we believe that an agreement is within the committee's grasp and that we should move ahead with all due speed to conclude the negotiations on this treaty.

I should also like to say a word about further arms control measures affecting outer space. The United States has been the leader in the peaceful exploration and use of outer space. We intend to continue this leadership. Some of these activities in outer space are important to our national security and that of our allies. They help to monitor the

verification of arms control agreements. The Limited Test Ban Treaty, the 1967 Outer Space Treaty, the Environmental Modification Convention and the Antiballistic Missile Treaty, which is one of the SALT I [Strategic Arms Limitation Talks] agreements, have important arms control provisions affecting outer space. Some are not asking whether additional measures might be called for and, if so, what The United States does not have a simple answer to this question, and we are continuing to study this issue. Clearly, the conditions do not exist which would make negotiations appropriate. We are, however, prepared to exchange views with other members of this committee and believe the committee should address the matter in a more systematic way than it has in the past.

Conclusion

Finally, I would like to use this occasion to pay tribute to one among us here today whose tireless efforts over a lifetime of service were recently recognized when he was awarded the Nobel Peace Prize. Ambassador Garcia Robles' [Alfonso Garcia Robles, Mexican Ambassador to the Committee on Disarmament (CD) and chairman of the *Ad Hoc* Working Group on the Comprehensive Program of Disarmament] accomplishments are far too numerous to mention, but let me just say to assure you, sir, of the full cooperation of the U.S. delegation in efforts to find work on a realistic comprehensive program of disarmament.

There is, in closing, one thought which I would like to leave with this committee, a thought which underlies our approach to arms control and to these issues before this committee. And that is that the achievement of effective arms control agreements is difficult work, requires dedication, persistence, tolerance, a respect for the views of others, and, above all, a faith that conflict can be prevented and that solutions, no matter how difficult, can be found. The dangerous view for mankind, particularly in this nuclear age, is that war is inevitable. I reject this view entirely, because such a belief merely increases the inclination to make it a self-fulfilling prophecy. Let us rededicate ourselves to this committee, and in every other forum, to the hard and serious work

Peace and National Security

President Reagan
Televised Address
to the Nation
Washington, D.C.
March 23, 1983

The subject I want to discuss with you, peace and national security, is both timely and important. Timely, because I've reached a decision which offers a new hope for our children in the 21st century, a decision I'll tell you about in a few minutes. And important because there's a very big decision that you must make for yourselves.

This subject involves the most basic duty that any President and any people share—the duty to protect and strengthen the peace. At the beginning of this year, I submitted to the Congress a defense budget which reflects my best judgment of the best understanding of the experts and specialists who advised me about what we and our allies must do to protect our people in the years ahead. That budget is much more than a long list of numbers. For behind all the numbers lies America's ability to prevent the greatest of human tragedies and preserve our free way of life in a sometimes dangerous world. It is part of a careful, long-term plan to make America strong again after too many years of neglect and mistakes.

Our efforts to rebuild America's defenses and strengthen the peace began 2 years ago when we requested a major increase in the defense program. Since then, the amount of those increases we first proposed has been reduced by half, through improvements in management and procurement and other savings.

The budget request that is now before the Congress has been trimmed to the limits of safety. Further deep cuts cannot be made without seriously endangering the security of the nation. The choice is up to the men and women you've elected to the Congress, and that means the choice is up to you.

Tonight, I want to explain to you what this defense debate is all about, and why I'm convinced that the budget now before the Congress is necessary, responsible, and deserving of your support. And I want to offer hope for the future.

But first, let me say what the defense debate is not about. It is not about spending arithmetic. I know that in the last few weeks you have been bombarded with numbers and percentages. Some say we need only a 5% increase in defense spending. The so-called alternate budget backed by liberals in the House of Representatives would lower the figure to 2%-3%, cutting our defense spending by \$163 billion over the next 5 years.

The trouble with all these numbers is that they tell us little about the kind of defense program America needs or the benefits and security and freedom that our defense effort buys for us. What seems to have been lost in all this debate is the simple truth of how a defense budget is arrived at. It isn't done by deciding to spend a certain number of dollars. Those loud voices that are occasionally heard charging that the government is trying to solve a security problem by throwing money at it are nothing more than noise based on ignorance. We start by considering what must be done to maintain peace and review all the possible threats against our security. Then, a strategy for strengthening peace and defending against those threats must be agreed upon. And, finally, our defense establishment must be evaluated to see what is necessary to protect against any or all of the potential threats. The cost of achieving these ends is totaled up, and the result is the budget for national defense.

There is no logical way that you can say, let's spend X billion dollars less. You can only say, which part of our defense measures do we believe we can do without and still have security against all contingencies? Anyone in the Congress who advocates a percentage or a specific dollar cut in defense spending

that his cuts mean cutting our commitments to allies or inviting greater risk or both.

U.S. Defensive Strategy

The defense policy of the United States is based on a simple premise: The United States does not start fights. We will never be an aggressor. We maintain our strength in order to deter and defend against aggression—to preserve freedom and peace.

Since the dawn of the atomic age, we've sought to reduce the risk of war by maintaining a strong deterrent and by seeking genuine arms control. "Deterrence" means simply this: making sure any adversary who thinks about attacking the United States, or our allies, or our vital interests, concludes that the risks to him outweigh any potential gains. Once he understands that, he won't attack. We maintain the peace through our strength; weakness only invites aggression.

This strategy of deterrence has not changed. It still works. But what it takes to maintain deterrence has changed. It took one kind of military force to deter an attack when we had far more nuclear weapons than any other power; it takes another kind now that the Soviets, for example, have enough accurate and powerful nuclear weapons to destroy virtually all of our missiles on the ground. Now this is not to say that the Soviet Union is planning to make war on us. Nor do I believe a war is inevitable—quite the contrary. But what must be recognized is that our security is based on being prepared to meet all threats.

There was a time when we depended on coastal forts and artillery batteries because, with the weaponry of that day, any attack would have had to come by sea. Well, this is a different world, and our defenses must be based on recognition and awareness of the weaponry

nuclear age.

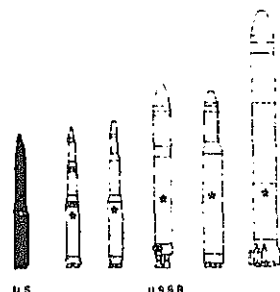
We can't afford to believe that we will never be threatened. There have been two World Wars in my lifetime. We didn't start them and, indeed, did everything we could to avoid being drawn into them. But we were ill prepared for both—had we been better prepared, peace might have been preserved.

For 20 years the Soviet Union has been accumulating enormous military might. They didn't stop when their forces exceeded all requirements of a legitimate defensive capability, and they haven't stopped now. During the past decade and a half, the Soviets have built up a massive arsenal of new strategic nuclear weapons—weapons that can strike directly at the United States.

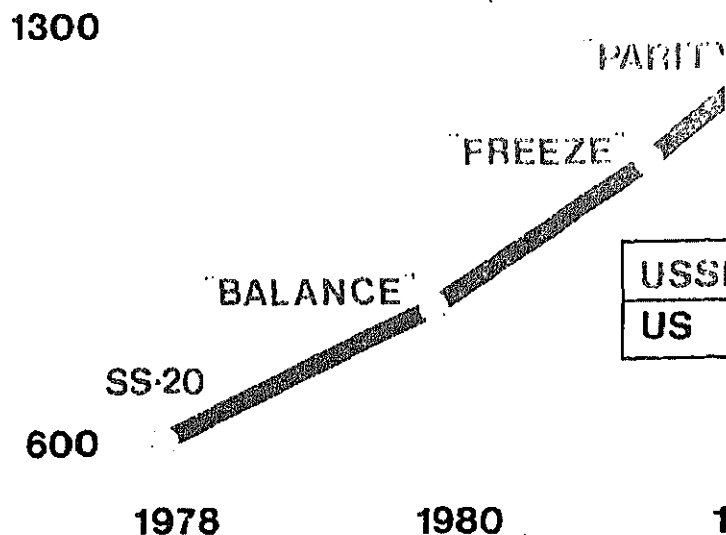
As an example, the United States introduced its last new intercontinental ballistic missile, the Minuteman III, in 1969; and we're now dismantling our even older Titan missiles. But what has the Soviet Union done in these intervening years? Well, since 1969, the Soviet Union has built five new classes of ICBMs [intercontinental ballistic missiles] and upgraded these eight times. As a result, their missiles are much more powerful and accurate than they were several years ago; and they continue to develop more, while ours are increasingly obsolete.

The same thing has happened in other areas. Over the same period, the

INTERCONTINENTAL MISSILES



INTERMEDIATE RANGE WEAPONS (LAND BASE)



Soviet Union built four new classes of submarine-launched ballistic missiles and over 60 new missile submarines. We built two new types of submarine missiles and actually withdrew 10 submarines from strategic missions. The Soviet Union built over 200 new Backfire bombers, and their brand new Blackjack bomber is now under development. We haven't built a new long-range bomber since our B-52s were deployed about a quarter of a century ago, and we've already retired several hundred of those because of old age. Indeed, despite what many people think, our strategic forces only cost about 15% of the defense budget.

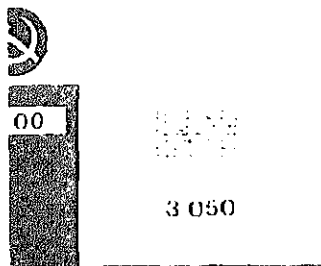
Another example of what's happened. In 1978, the Soviets had 600 intermediate-range nuclear missiles based on land and were beginning to add the SS-20—a new, highly accurate mobile missile with three warheads. We had none. Since then the Soviets have strengthened their lead. By the end of 1979, when Soviet leader Brezhnev declared "a balance now exists," the Soviets had over 800 warheads. We still had none. A year ago this month, Mr. Brezhnev pledged a moratorium, or freeze, on SS-20 deployment. But by last August, their 800 warheads had become more than 1,200. We still had

none—some freeze. A Defense Minister Ustinov said "approximate parity of to exist." But the Soviets have an average of three new warheads can reach the matter of a few minutes. So far, it seems definition of parity is a 1,300 to nothing, in the

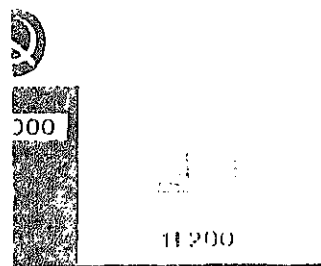
So, together with we decided in 1979 to weapons, beginning the rent to their SS-20s as to the Soviet Union to serious arms control will begin that deployment year. At the same time willing to cancel our p Soviets will dismantle what we've called a ze Soviets are now at the and I think it's fair to our planned deployment be there.

Now, let's consider forces. Since 1974, the has produced 3,050 tactical craft. By contrast, the produced twice as many

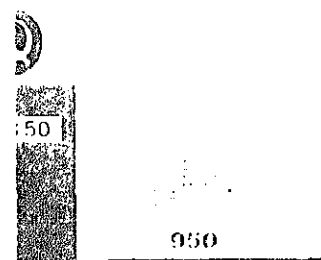
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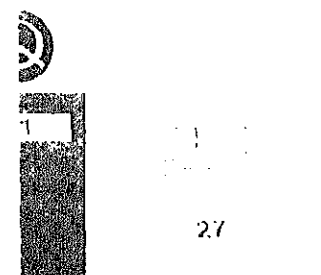
AIRCRAFT



ARMOR



ARTILLERY



SUBMARINES

including tanks. We have produced 11,200. The Soviet Union has produced 54,000—nearly 5 to 1 in their favor. Finally, with artillery, we have produced 950 artillery and rocket launchers while the Soviets have produced more than 13,000—a staggering 14-to-1 ratio.

Spread of Soviet Military Influence

There was a time when we were able to offset superior Soviet numbers with higher quality. But today, they are building weapons as sophisticated and modern as our own. As the Soviets have increased their military power, they have been emboldened to extend that power. They are spreading their military influence in ways that can directly challenge our vital interests and those of our allies.

The following aerial photographs, most of them secret until now, illustrate this point in a crucial area very close to home: Central America and the Caribbean Basin. They are not dramatic photographs. But I think they help give you a better understanding of what I am talking about.

This Soviet intelligence collection facility less than 100 miles from our

targeted on key U.S. military installations and sensitive activities. The installation in Lourdes, Cuba, is manned by 1,500 Soviet technicians. And the satellite ground station allows instant communications with Moscow. This 28-square-mile facility has grown by more than 60% in size and capability during the past decade.

In western Cuba, we see this military airfield and its complement of modern, Soviet-built MiG-23 aircraft. The Soviet Union uses this Cuban airfield for its own long-range reconnaissance missions. And earlier this month, two modern Soviet antisubmarine warfare aircraft began operating from it. During the past 2 years, the level of Soviet arms exports to Cuba can only be compared to the levels reached during the Cuban missile crisis 20 years ago.

This third photo, which is the only one in this series that has been previously made public, shows Soviet military hardware that has made its way to Central America. This airfield with its Mi-8 helicopters, antiaircraft guns, and protected fighter sites is one of a number of military facilities in Nicaragua which has received Soviet equipment funneled



military buildup going on in that country.

On the small island of Grenada at the southern end of the Caribbean chain, the Cubans with Soviet financing and backing are in the process of building an airfield with a 10,000-foot runway. Grenada doesn't even have an air force. Who is it intended for? The Caribbean is a very important passageway for our international commerce and military lines of communication. More than half of all American oil imports now pass through the Caribbean. The rapid buildup of Grenada's military potential is unrelated to any conceivable threat to this island country of under 110,000 people and totally at odds with the patterns of the eastern Caribbean states, most of which are unarmed.

The Soviet-Cuban militarization of Grenada, in short, can only be seen as power projection into the region. And it is in this important economic and strategic area that we're trying to help the Governments of El Salvador, Costa Rica, Honduras, and others in their struggles for democracy against guerrillas supported through Cuba and Nicaragua.

These pictures only tell a small part of the story. I wish I could show you more without compromising our most sensitive intelligence sources and methods. But the Soviet Union is also supporting Cuban military forces in Angola and Ethiopia. They have bases in Ethiopia and South Yemen, near the Persian Gulf oil fields. They have taken over the port that we built at Cam Ranh Bay in Vietnam. And now for the first time in history, the Soviet Navy is a force to be reckoned with in the South Pacific.

Some people may still ask: Would the Soviets ever use their formidable military power? Well, again, can we afford to believe they won't? There is Afghanistan. And in Poland the Soviets denied the will of the people and, in so doing, demonstrated to the world how their military power could also be used to intimidate.

The final fact is that the Soviet Union is acquiring what can only be considered an offensive military force. They have continued to build far more intercontinental ballistic missiles than they



AIRFIELD UNDER CONSTRUCTION POINT SALINES, GRENADA

10,000 FOOT
RUNWAY

FUEL STORAGE

NEW CUBAN
HOUSING

could possibly need simply to deter an attack. Their conventional forces are trained and equipped not so much to defend against an attack as they are to permit sudden surprise offenses of their own.

Repairing U.S. Defenses

Our NATO allies have assumed a great defense burden, including the military draft in most countries. We're working with them and our other friends around the world to do more. Our defensive strategy means we need military forces that can move very quickly, forces that are trained and ready to respond to any emergency.

Every item in our defense program—our ships, our tanks, our planes, our funds for training and spare parts—is intended for one all-important purpose: to keep the peace. Unfortunately, a decade of neglecting our military forces has called into question our ability to do that.

When I took office in January 1981, I was appalled by what I found: American planes that couldn't fly and American ships that couldn't sail for lack of spare parts and trained personnel and insufficient fuel and ammunition for essential training. The inevitable result

of all this was poor morale in our Armed Forces, difficulty in recruiting the brightest young Americans to wear the uniform, and difficulty in convincing our most experienced military personnel to stay on.

There was a real question then about how well we could meet a crisis. And it was obvious that we had to begin a major modernization program to ensure we could deter aggression and preserve the peace in the years ahead. We had to move immediately to improve the basic readiness and staying power of our conventional forces, so they could meet—and, therefore, help deter—a crisis. We had to make up for lost years of investment by moving forward with a long-term plan to prepare our forces to counter the military capabilities our adversaries were developing for the future.

I know that all of you want peace, and so do I. I know, too, that many of you seriously believe that a nuclear freeze would further the cause of peace. But a freeze now would make us less, not more, secure and would raise, not reduce, the risks of war. It would be largely unverifiable and would seriously undercut our negotiations on arms reduction. It would reward the Soviets for their massive military buildup while preventing us from modernizing our aging and increasingly vulnerable forces.

personnel who had come to Washington determined to reduce government spending, but we had to move forward with the task of repairing our defenses or we would lose our ability to deter conflict now and in the future. We had to demonstrate to any adversary that aggression could not succeed and that the only real solution was substantial, equitable, and effectively verifiable arms reduction—the kind we're working for right now in Geneva.

Thanks to your strong support, and bipartisan support from the Congress, we began to turn things around. Already we're seeing some very encouraging results. Quality recruitment and retention are up dramatically—more high school graduates are choosing military careers and more experienced career personnel are choosing to stay. Our men and women in uniform at last are getting the tools and training they need to do their jobs.

Ask around today, especially among our young people, and I think you will find a whole new attitude toward serving their country. This reflects more than just better pay, equipment, and leadership. You, the American people, have sent a signal to these young people that it is once again an honor to wear the uniform. That's not something you measure in a budget, but it's a very real part of our nation's strength.

It'll take us longer to build the kind of equipment we need to keep peace in the future, but we've made a good start. We haven't built a new long-range bomber for 21 years. Now we're building the B-1. We hadn't launched one new strategic submarine for 17 years. Now we're building one Trident submarine a year. Our land-based missiles are increasingly threatened by the many huge, new Soviet ICBMs. We're determining how to solve that problem. At the same time, we're working in the START [Strategic Arms Reduction Talks] and INF [intermediate-range nuclear forces] negotiations with the goal of achieving deep reductions in the strategic and intermediate nuclear arsenals of both sides.

We have also begun the long-needed modernization of our conventional forces. The Army is getting its first new tank in 20 years. The Air Force is modernizing. We're rebuilding our Navy

the late 1960s to 453 during the 1970s. Our nation needs a superior Navy to support our military forces and vital interests overseas. We're now on the road to achieving a 600-ship Navy and increasing the amphibious capabilities of our Marines, who are now serving the cause of peace in Lebanon. And we're building a real capability to assist our friends in the vitally important Indian Ocean and Persian Gulf region.

The Need for Defense Resources

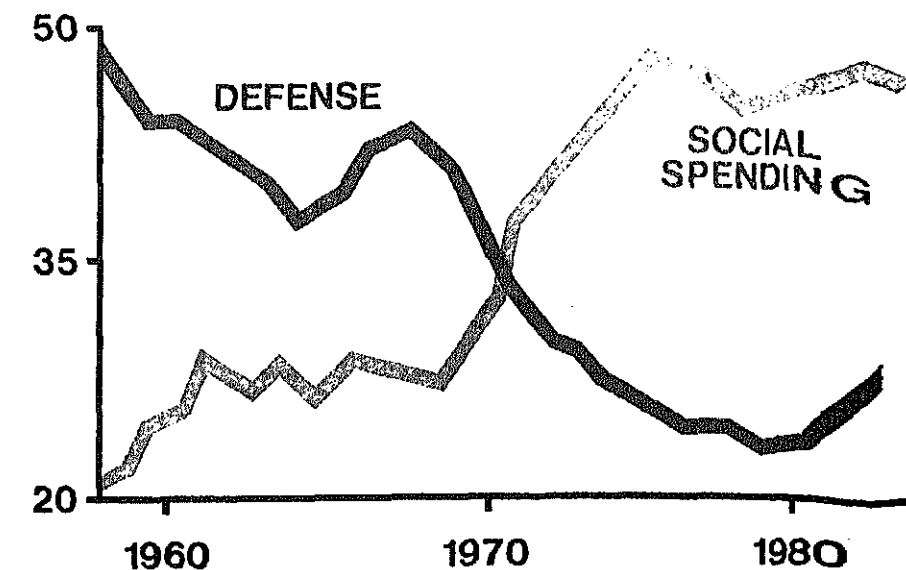
This adds up to a major effort, and it isn't cheap. It comes at a time when there are many other pressures on our budget, and when the American people have already had to make major sacrifices during the recession. But we must not be misled by those who would make defense once again the scapegoat of the Federal budget.

The fact is that in the past few decades we have seen a dramatic shift in how we spend the taxpayer's dollar. Back in 1955, payments to individuals took up only about 20% of the Federal budget. For nearly three decades, these payments steadily increased, and this year will account for 49% of the budget. By contrast, in 1955 defense took up more than half of the Federal budget. By 1980, this spending had fallen to a low of 23%. Even with the increase that I am requesting this year, defense will still amount to only 28% of the budget.

The calls for cutting back the defense budget come in nice, simple arithmetic. They're the same kind of talk that led the democracies to neglect their defenses in the 1930s and invited the tragedy of World War II. We must not let that grim chapter of history repeat itself through apathy or neglect.

This is why I'm speaking to you tonight—to urge you to tell your Senators and Congressmen that you know we must continue to restore our military strength. If we stop in mid-stream, we will send a signal of decline, of lessened will, to friends and adversaries alike. Free people must voluntarily, through open debate and democratic means, meet the challenge that totalitarians pose by compulsion. It's up to us, in our time, to choose and choose wisely between the hard but necessary task of

PERCENT OF BUDGET



preserving peace and freedom and the temptation to ignore our duty and blindly hope for the best while the enemies of freedom grow stronger day by day.

The solution is well within our grasp. But to reach it, there is simply no alternative but to continue this year, in this budget, to provide the resources we need to preserve the peace and guarantee our freedom.

Commitment to Arms Control

Now, thus far tonight I've shared with you my thoughts on the problems of national security we must face together. My predecessors in the Oval Office have appeared before you on other occasions to describe the threat posed by Soviet power and have proposed steps to address that threat. But since the advent of nuclear weapons, those steps have been increasingly directed toward deterrence of aggression through the promise of retaliation. This approach to stability through offensive threat has worked.

We and our allies have succeeded in preventing nuclear war for more than three decades.

In recent months, however, my advisers, including, in particular, the Joint Chiefs of Staff, have underscored the necessity to break out of a future that relies solely on offensive retaliation for our security. Over the course of these discussions, I've become more and more deeply convinced that the human spirit must be capable of rising above dealing with other nations and human beings by threatening their existence. Feeling that way, I believe we must thoroughly examine every opportunity for reducing tensions and for introducing greater stability into the strategic calculus on both sides.

One of the most important contributions we can make is, of course, to lower the level of all arms and particularly nuclear arms. We are engaged right now in several negotiations with the Soviet Union to bring about a mutual reduction of weapons.

I will report to you a week from tomorrow my thoughts on that score. But let me just say, I am totally committed to this course. If the Soviet Union will join with us in our effort to achieve

major arms reduction succeeded in stabilizing the nuclear balance. Nevertheless, it will still be necessary to rely on the specter of retaliation, on mutual threat. And that's a sad commentary on the human condition. Wouldn't it be better to save lives than to avenge them? Are we not capable of demonstrating our peaceful intentions by applying all our abilities and our ingenuity to achieving a truly lasting stability?

I think we are. Indeed, we must. After careful consultation with my advisers, including the Joint Chiefs of Staff, I believe there is a way. Let me share with you a vision of the future which offers hope. It is that we embark on a program to counter the awesome Soviet missile threat with measures that are defensive. Let us turn to the very strengths in technology that spawned our great industrial base and that have given us the quality of life we enjoy today.

What if free people could live secure in the knowledge that their security did not rest upon the threat of instant U.S. retaliation to deter a Soviet attack, that we could intercept and destroy strategic ballistic missiles before they reached our own soil or that of our allies?

I know this is a formidable, technical task; one that may not be accomplished before the end of this century. Yet, current technology has attained a level of

us to begin this effort. It will take years, probably decades of effort on many fronts. There will be failures and setbacks, just as there will be successes and breakthroughs. And as we proceed, we must remain constant in preserving the nuclear deterrent and maintaining a solid capability for flexible response.

But isn't it worth every investment necessary to free the world from the threat of nuclear war? We know it is. In the meantime, we will continue to pursue real reductions in nuclear arms, negotiating from a position of strength that can be ensured only by modernizing our strategic forces.

At the same time, we must take steps to reduce the risk of a conventional military conflict escalating to nuclear war by improving our non-nuclear capabilities. America does possess—now—the technologies to attain very significant improvements in the effectiveness of our conventional, non-nuclear forces. Proceeding boldly with these new technologies, we can significantly reduce any incentive that the Soviet Union may have to threaten attack against the United States or its allies.

As we pursue our goal of defensive technologies, we recognize that our allies rely upon our strategic offensive power to deter attacks against them. Their vital interests and ours are inextricably linked. Their safety and ours are one. And no change in technology can or will alter that reality. We must and shall continue to honor our commitments. I clearly recognize that defensive

tain problems and ambiguities. If paired with offensive systems, they can be viewed as fostering an aggressive policy; and no one wants that. But with these considerations firmly in mind, I call upon the scientific community in our country, those who gave us nuclear weapons, to turn their great talents now to the cause of mankind and world peace, to give us the means of rendering these nuclear weapons impotent and obsolete.

Tonight, consistent with our obligations of the ABM (antiballistic missile) Treaty and recognizing the need for closer consultation with our allies, I'm taking an important first step. I am directing a comprehensive and intensive effort to define a long-term research and development program to begin to achieve our ultimate goal of eliminating the threat posed by strategic nuclear missiles. This could pave the way for arms control measures to eliminate the weapons themselves. We seek neither military superiority nor political advantage. Our only purpose—one all people share—is to search for ways to reduce the danger of nuclear war.

My fellow Americans, tonight we're launching an effort which holds the promise of changing the course of human history. There will be risks, and results take time. But I believe we can do it. As we cross this threshold, I ask for your prayers and your support. ■

Reducing the Danger of Nuclear Weapons

**President Reagan
World Affairs Council
Los Angeles
March 31, 1983**

Last week I spoke to the American people about our plans for safeguarding this nation's security and that of our allies. And I announced a long-term effort in scientific research to counter some day the menace of offensive nuclear missiles. What I have proposed is that nations should turn their best energies to moving away from the nuclear nightmare. We must not resign ourselves to a future in which security on both sides depends on threatening the lives of millions of innocent men, women, and children.

And today, I would like to discuss another vital aspect of our national security: our efforts to limit and reduce the danger of modern weaponry. We live in a world in which total war would mean catastrophe. We also live in a world that's torn by a great moral struggle between democracy and its enemies, between the spirit of freedom and those who fear freedom.

In the last 15 years or more, the Soviet Union has engaged in a relentless military buildup, overtaking and surpassing the United States in major categories of military power, acquiring what can only be considered an offensive military capability. All the moral values which this country cherishes—freedom; democracy; the right of peoples and nations to determine their own destiny, to speak and write, to live and worship as they choose—all these basic rights are fundamentally challenged by a powerful adversary which does not wish these values to survive.

This is our dilemma, and it's a profound one. We must both defend freedom and preserve the peace. We must stand true to our principles and our friends while preventing a holocaust.

The Western commitment to peace through strength has given Europe its longest period of peace in a century. We cannot conduct ourselves as if the special danger of nuclear weapons did not exist. But we must not allow our-

We of the 20th century, who so pride ourselves on mastering even the forces of nature—except last week when the Queen was here—we're forced to wrestle with one of the most complex moral challenges ever faced by any generation. Now, my views about the Soviet Union are well known, although sometimes I don't recognize them when they're played back to me. And our program for maintaining, strengthening, and modernizing our national defense has been clearly stated.

The American Record

Today let me tell you something of what we're doing to reduce the danger of nuclear war. Since the end of World War II, the United States has been the leader in the international effort to negotiate nuclear arms limitations. In 1946, when the United States was the only country in the world possessing these awesome weapons, we did not blackmail others with threats to use them, nor did we use our enormous power to conquer territory, to advance our position, or to seek domination.

Doesn't our record alone refute the charge that we seek superiority, that we represent a threat to peace? We proposed the Baruch plan for international control of all nuclear weapons and nuclear energy, for everything nuclear to be turned over to an international agency. And this was rejected by the Soviet Union. Several years later, in 1955, President Eisenhower presented his "open skies" proposal that the United States and the Soviet Union would exchange blueprints of military establishments and permit aerial reconnaissance to ensure against the danger of surprise attack. This, too, was rejected by the Soviet Union.

Now, since then, some progress has been made, largely at American initiative. The 1963 Limited Test Ban Treaty prohibited nuclear testing in the atmosphere, in outer space, or under water. The creation of the "hotline" in 1963, upgraded in 1971, provides direct communication between Washington and Moscow to avoid miscalculation during a crisis. The Nuclear Nonproliferation

spread of nuclear weapons. In 1971, we reached an agreement on special communication procedures to safeguard against accidental or unauthorized use of nuclear weapons and on a seabed arms control treaty, which prohibits the placing of nuclear weapons on the seabed of the ocean floor. The strategic arms limitation agreements of 1972 imposed limits on antiballistic missile systems and on numbers of strategic offensive missiles. And the 1972 Biological Warfare Convention bans—or was supposed to ban—the development, production, and stockpiling of biological and toxin weapons.

But while many agreements have been reached, we've also suffered many disappointments. The American people had hoped by these measures to reduce tensions and start to build a constructive relationship with the Soviet Union.

Instead, we have seen Soviet military arsenals continue to grow in virtually every significant category. We've seen the Soviet Union project its power around the globe. We've seen Soviet resistance to significant reductions and measures of effective verification, especially the latter. And, I'm sorry to say, there have been increasingly serious grounds for questioning their compliance with the arms control agreements that have already been signed and that we both pledged to uphold. I may have more to say on this in the near future.

Coming into office, I made two promises to the American people about peace and security: I promised to restore our neglected defenses in order to strengthen and preserve the peace, and I promised to pursue reliable agreements to reduce nuclear weapons. Both these promises are being kept.

Today, not only the peace but also the chances for real arms control depend on restoring the military balance. We know that the ideology of the Soviet leaders does not permit them to leave any Western weakness unprobed, any vacuum of power unfilled. It would seem that to them negotiation is only another form of struggle. Yet, I believe the Soviets can be persuaded to reduce their arsenals—but only if they see it's absolutely necessary. Only if they

except for the land-based leg of the triad. We expect to get congressional approval of this final program later this spring. A strategic forces modernization program depends on a national bipartisan consensus. Over the last decade, four successive administrations have made proposals for arms control and modernization that have become embroiled in political controversy. No one gained from this divisiveness; all of us are going to have to take a fresh look at our previous positions. I pledge to you my participation in such a fresh look and my determination to assist in forging a renewed bipartisan consensus.

My other national security priority on assuming office was to thoroughly re-examine the entire arms control agenda. Since then, in coordination with our allies, we've launched the most comprehensive program of arms control initiatives ever undertaken. Never before in history has a nation engaged in so many major simultaneous efforts to limit and reduce the instruments of war.

- Last month in Geneva, the Vice President committed the United States to negotiate a total and verifiable ban on chemical weapons. Such inhumane weapons, as well as toxin weapons, are being used in violation of international law in Afghanistan, in Laos, and Kampuchea.

- Together with our allies, we've offered a comprehensive new proposal for mutual and balanced reduction of conventional forces in Europe.

- We have recently proposed to the Soviet Union a series of further measures to reduce the risk of war from accident or miscalculation. And we're considering significant new measures resulting in part from consultations with several distinguished senators.

- We've joined our allies in proposing a conference on disarmament in Europe. On the basis of a balanced outcome of the Madrid meeting, such a conference will discuss new ways to enhance European stability and security.

- We have proposed to the Soviet Union improving the verification provi-

made far-reaching proposals, which I will discuss further in a moment, for deep reductions in strategic weapons and for elimination of an entire class of intermediate-range weapons.

I am determined to achieve real arms control—reliable agreements that will stand the test of time, not cosmetic agreements that raise expectations only to have hopes cruelly dashed.

In all these negotiations certain basic principles guide our policy.

First, our efforts to control arms should seek reductions on both sides—significant reductions.

Second, we insist that arms control agreements be equal and balanced.

Third, arms control agreements must be effectively verifiable. We cannot gamble with the safety of our people and the people of the world.

Fourth, we recognize that arms control is not an end in itself but a vital part of a broad policy designed to strengthen peace and stability.

It's with these firm principles in mind that this Administration has approached negotiations on the most powerful weapons in the American and Soviet arsenals—strategic nuclear weapons.

Strategic Arms Reduction Talks

In June of 1982, American and Soviet negotiators convened in Geneva to begin the strategic arms reduction talks, what we call START. We've sought to work out an agreement reducing the levels of strategic weapons on both sides. I proposed reducing the number of ballistic missiles by one-half and the number of warheads by one-third. No more than half the remaining warheads could be on land-based missiles. This would leave both sides with greater security at equal and lower levels of forces. Not only would this reduce numbers—it would also put specific limits on precisely those types of nuclear weapons that pose the most danger.

The Soviets have made a counter-proposal. We've raised a number of serious concerns about it. But—and this is important—they have accepted the concept of reductions. Now, I expect this is because of the firm resolve that

also has, in START, recently proposed a draft agreement on a number of significant measures to build confidence and reduce the risks of conflict. This negotiation is proceeding under the able leadership of Ambassador Edward Rowny on our side.

Intermediate-Range Nuclear Forces

We're also negotiating in Geneva to eliminate an entire class of new weapons from the face of the Earth. Since the end of the mid-1970s, the Soviet Union has been deploying an intermediate-range nuclear missile, the SS-20, at a rate of one a week. There are now 351 of these missiles, each with three highly accurate warheads capable of destroying cities and military bases in Western Europe, Asia, and the Middle East.

NATO has no comparable weapon, nor did NATO in any way provoke this new, unprecedented escalation. In fact, while the Soviets were deploying their SS-20s, we were taking a thousand nuclear warheads from shorter range weapons out of Europe.

This major shift in the European military balance prompted our West European allies themselves to propose that NATO find a means of righting the balance. And in December of 1979, they announced a collective two-track decision.

First, to deploy in Western Europe 572 land-based cruise missiles and Pershing II ballistic missiles, capable of reaching the Soviet Union. The purpose: to offset and deter the Soviet SS-20s. The first of these NATO weapons are scheduled for deployment by the end of this year.

Second, to seek negotiations with the Soviet Union for the mutual reduction of these intermediate-range missiles.

In November of 1981, the United States, in concert with our allies, made a sweeping new proposal: NATO would cancel its own deployment if the Soviets eliminated theirs. The Soviet Union refused and set out to intensify public pressures in the West to block the

started. Meanwhile, the Soviet weapons continue to grow in number.

Our proposal was not made on a take-it-or-leave-it basis. We're willing to consider any Soviet proposal that meets these standards of fairness.

- An agreement must establish equal numbers for both Soviet and American intermediate-range nuclear forces.

- Other countries' nuclear forces, such as the British and French, are independent and are not part of the bilateral U.S.-Soviet negotiations. They are, in fact, strategic weapons, and the Soviet strategic arsenal more than compensates for them.

- Next, an agreement must not shift the threat from Europe to Asia. Given the range in mobility of the SS-20s, meaningful limits on these and comparable American systems must be global.

- An agreement must be effectively verifiable.

- And an agreement must not undermine NATO's ability to defend itself with conventional forces.

We've been consulting closely with our Atlantic allies, and they strongly endorse these principles.

Earlier this week, I authorized our negotiator in Geneva, Ambassador Paul Nitze, to inform the Soviet delegation of a new American proposal which has the full support of our allies. We're prepared to negotiate an interim agreement to reduce our planned deployment if the Soviet Union will reduce their corresponding warheads to an equal level. This would include all U.S. and Soviet weapons of this class, wherever they're located. Our offer of zero on both sides will, of course, remain on the table as our ultimate goal. At the same time, we remain open—as we have been from the very outset—to serious counter proposals. The Soviet negotiators have now returned to Moscow where we hope our new proposal will receive careful consideration during the recess. Ambassador Nitze has proposed and the Soviets have agreed that negotiations resume in mid-May, several weeks earlier than scheduled.

I'm sorry that the Soviet Union, so far, has not been willing to accept the complete elimination of these systems on both sides. The question I now put to the Soviet Government is: If not elimination, to what equal level are you willing

at Geneva. For arms control to be truly complete and world security strengthened, however, we must also increase our efforts to halt the spread of nuclear arms. Every country that values a peaceful world order must play its part.

Our allies, as important nuclear exporters, also have a very important responsibility to prevent the spread of nuclear arms. To advance this goal, we should all adopt comprehensive safeguards as a condition for nuclear supply commitments that we make in the future. In the days ahead, I'll be talking to other world leaders about the need for urgent movement on this and other measures against nuclear proliferation.

The Nuclear Freeze

Now, that's the arms control agenda we've been pursuing. Our proposals are fair. They're far reaching and comprehensive. But we still have a long way to go. We Americans are sometimes an impatient people. I guess it's a symptom of our traditional optimism, energy, and spirit. Often, this is a source of strength. In a negotiation, however, impatience can be a real handicap. Any of you who've been involved in labor management negotiations or any kind of bargaining know that patience strengthens your bargaining position. If one side seems too eager or desperate, the other side has no reason to offer a compromise and every reason to hold back, expecting that the more eager side will cave in first.

Well, this is a basic fact of life we can't afford to lose sight of when dealing with the Soviet Union. Generosity in negotiation has never been a trademark of theirs. It runs counter to the basic militancy of Marxist-Leninist ideology. So it's vital that we show patience, determination, and, above all, national unity. If we appear to be divided, if the Soviets suspect that domestic political pressure will undercut our position, they'll dig in their heels. And that can only delay an agreement and may destroy all hope for an agreement.

That's why I've been concerned about the nuclear freeze proposals, one of which is being considered at this time by the House of Representatives. Most of those who support the freeze, I'm sure, are well intentioned, concerned about the arms race and the danger of

at Geneva. For arms control to be truly complete and world security strengthened, however, we must also increase our efforts to halt the spread of nuclear arms. Every country that values a peaceful world order must play its part. Our allies, as important nuclear exporters, also have a very important responsibility to prevent the spread of nuclear arms. To advance this goal, we should all adopt comprehensive safeguards as a condition for nuclear supply commitments that we make in the future. In the days ahead, I'll be talking to other world leaders about the need for urgent movement on this and other measures against nuclear proliferation.

The freeze concept is dangerous for many reasons.

- It would preserve today's high, unequal, and unstable levels of nuclear forces and, by so doing, reduce Soviet incentives to negotiate for real reductions.

- It would pull the rug out from under our negotiators in Geneva, as they have testified. After all, why should the Soviets negotiate if they've already achieved a freeze in a position of advantage to them?

- Also, some think a freeze would be easy to agree on, but it raises enormously complicated problems of what is to be frozen, how it is to be achieved, and, most of all, verified. Attempting to negotiate these critical details would only divert us from the goal of negotiating reductions for who knows how long.

- The freeze proposal would also make a lot more sense if a similar movement against nuclear weapons were putting similar pressures on Soviet leaders in Moscow. As former Secretary of Defense Harold Brown has pointed out, the effect of the freeze "is to put pressure on the United States, but not on the Soviet Union."

- Finally, the freeze would reward the Soviets for their 15-year buildup while locking us into our existing equipment, which in many cases is obsolete and badly in need of modernization. Three-quarters of Soviet strategic warheads are on delivery systems 5 years old or less. Three-quarters of the American strategic warheads are on delivery systems 15 years old or older. The time comes when everything wears out. The trouble is, it comes a lot sooner for us than for them. And, under a freeze, we couldn't do anything about it.

Our B-52 bombers are older than many of the pilots who fly them. If they were automobiles, they'd qualify as antiques. A freeze could lock us into obsolescence. It's asking too much to expect our service men and women to risk their lives in obsolete equipment. The 2

ices deserve the best and most
ern equipment to protect them and

I'm sure that every president has
med of leaving the world a safer
e than he found it. I pledge to you,
goal—and I consider it a sacred
t—will be to make progress toward
s reductions in every one of the
ral negotiations now underway.
I call on all Americans of both par-
and all branches of government to
in this effort. We must not let our
greements or partisan politics keep

reducing armaments.
I pledge to our allies and friends in
Europe and Asia: We will continue to
consult with you closely. We're conscious
of our responsibility when we negotiate
with our adversaries on issues of con-
cern to you and your safety and well-
being.

To the leaders and people of the
Soviet Union, I say: Join us in the path
to a more peaceful, secure world. Let us
vie in the realm of ideas, on the field of
peaceful competition. Let history record
that we tested our theories through
human experience, not that we de-
stroyed ourselves in the name of vindi-
cating our way of life. And let us prac-
tice restraint in our international con-

trust can some day give way to mutual
confidence and a secure peace.

What better time to rededicate our-
selves to this undertaking than in the
Easter season, when millions of the
world's people pay homage to the one
who taught us peace on Earth, goodwill
toward men?

This is the goal, my fellow Ameri-
cans, of all the democratic nations—a
goal that requires firmness, patience,
and understanding. If the Soviet Union
responds in the same spirit, we're ready.
And we can pass on to our posterity the
gift of peace—that and freedom are the
greatest gifts that one generation can
bequeath to another. ■

3. Proposes Banning Chemical Weapons

**President Bush
ference on
sarmament
eva
118, 1984**

in honor to come before this confer-
again today, on behalf of our Presi-
to reaffirm our strong commitment
ns control.

nd I have come to reaffirm, as
a resolve that has dominated the
ican position in all arms control
ssions over the last year: the resolve
he growth in the number of the
dreaded weapons of modern warfare
not simply be slowed; it must be
sed. In the matter before us—
ical weapons—they must be banned,
y banned.

have brought with me today the
expression of that firm U.S.

ve—a draft treaty banning entirely
ossession, production, acquisition,
tion, or transfer of chemical
ons.

his draft treaty includes an entirely
oncept for overcoming the great ob-
: that has impeded progress in the
oward a full chemical weapons ban—
ly, the obstacle of verification. This
oncept is part of a package of sound
reasonable procedures to verify com-

Except on close inspection, chemical
weapons, these insidious chemical
weapons, are virtually identical in ap-
pearance to ordinary weapons; plants for
producing chemicals for weapons are dif-
ficult to distinguish from plants producing
chemicals for industry and, in fact, some
chemicals with peaceful utility are struc-
turally similar to some chemicals used in
warfare. So verification is particularly dif-
ficult with chemical weapons.

Review of Concerns

Our new concept is an arms control veri-
fication procedure that we call the "open
invitation." But before I outline this un-
precedented procedure, let me review
some of the concerns that have led the
United States to propose such a step.

When I appeared before you in
February last year, I quoted Franklin
Roosevelt's comment that the use of
chemical weapons "has been outlawed by
the general opinion of civilized mankind."
Unfortunately, despite the horror that
these weapons evoke, really in all decent
men and women; despite specific prohibi-
tions such as the Geneva Protocol of
1925 and the 1972 Biological and Toxin
Weapons Convention, there have been
repeated instances of use over the past
six decades, against combatants and inno-
cent civilians alike—always, I might note,
against those least able to defend them-

Middle East. One important reason that
chemical weapons use continues is that
neither the 1925 Geneva Protocol nor the
1972 Biological and Toxin Weapons Con-
vention includes any form of effective
verification or enforcement.

Parties signed a piece of paper, at-
tached some stamps and some seals of
their own. Arsenals remained, ready for
use against any who lacked a deterrent.

The United States has advocated rein-
forcement of the existing agreements.
We, together with other countries, have
long supported proposals to direct the
Secretary General of the United Nations
to initiate investigations of reported
violations.

We regret that some UN members
have disputed the need for such investiga-
tions and have, to date, prevented or
impeded inquiries. We believe that inter-
national investigations of this sort could
serve as a step toward the kind of open-
ness required for a comprehensive chem-
ical weapons treaty that would work.

Surely the consequences of the ab-
sence of effective verification, as seen in
the reports of continued use of chemical
weapons, can only provoke profound
concerns among all of us today.

First, there is this unspeakable hor-
ror visited upon the victims of such weap-
ons, many of them innocents simply
caught up in the path of war.

and so undermines the arms control process.

Finally, and perhaps most disturbing, there is the chance that, as reports of use continued, the world might actually get callous, get hardened to this news. It might come numbly to accept these weapons and to abandon efforts to rid future generations of this peril.

We owe it to ourselves and to our children to prevent this from happening.

For more than a decade, the United States has exercised restraint in the field of chemical weapons, and we will continue to do so. We desire an arms control solution to the chemical weapons threat. But our restraint has not induced all other states to exercise comparable restraint.

And this is why we are taking steps to prepare for the possibility that modern chemical weapons might have to be produced in the absence of a comprehensive ban. However, we must and will do all that we can to achieve a treaty that eliminates any need for new production.

The U.S. Proposal

The President asked me to come here again this year to stress the urgency of this issue. He believes that we must do all we can to eliminate existing stocks of chemical weapons and the facilities that produce them. He wants to ensure that such weapons will never be developed or used again.

Now to that end, the President has asked me to present to this conference today the U.S. draft text of a comprehensive treaty banning chemical weapons, and I ask that this draft be circulated as an official document of the Conference on Disarmament.

The provisions of the draft treaty closely follow the "detailed views" my government presented to this conference last year. They also incorporate the views of many other delegations who have given us the benefit of their thoughts.

This treaty would prohibit the development, the production, the stockpiling, the acquisition, the retention, or transfer of chemical weapons. The principal criterion for distinguishing between permitted and banned activities would be the purpose for which an activity is being con-

the other parties are abiding by it. This elementary, common sense principle is the essence of what we mean by verification. No sensible government enters into those international contracts known as treaties unless it can ascertain—or verify—that it is getting what it contracted for.

Lack of effective verification and compliance mechanisms has been a major obstacle to achieving a true and effective ban on these weapons.

As I mentioned at the beginning, the technical similarities between chemical weapons production facilities and commercial production facilities, the similarity between chemical weapons agents and chemicals for peaceful uses, and the similarity between chemical munitions and conventional munitions makes discrimination impossible without very, very close observation.

And, perhaps most importantly, strict verification is needed to protect those who do not possess chemical weapons, or are willing to give them up, from those who might maintain possession surreptitiously.

The goal of our proposal is a treaty to require states to declare the sizes and locations of their chemical weapons stocks and production facilities, to destroy the stocks and facilities, and to forswear creating new chemical weapons. If they are to sign a contract, states must have confidence, in particular, that they can know:

First, that all declared stocks have been destroyed;

Second, that all declared production facilities have been destroyed;

Third, that the declared stocks really do constitute all the stocks; and

Fourth, that the declared facilities are all the facilities.

Without such firm assurance—and I think everyone here knows this—we cannot claim to have banned chemical weapons. In this regard, my government has taken note of the Soviet Union's announced willingness to consider accepting the continuous stationing of international inspection teams at the locations where declared stockpiles are to be destroyed. We welcome that.

To address the second criteria—that all declared facilities be destroyed—very similar, continuous, on-site periodic inspection.

The verification difficulty in the problem of undeclared weapons is that there are no known and no clandestine production facilities that remains our most formidable challenge. It is formidable because the problem of undeclared sites can be solved only if states commit themselves to new but absolutely necessary openness.

Let's face reality. Chemical weapons are not difficult to hide, and it is difficult to produce in a clandestine manner. Many states have the capability to do this. We can rid the world of chemical weapons only if we make it impossible for anyone, for ourselves, to produce them without detection.

The opportunity for unilateral action is the undoing of arms control. That opportunity persists, whatever chemical weapons we have, include illusory and, really, the cause of peace.

And so, for this reason, the U.S. Government is putting forward a unprecedented "open invitation" proposal to which I refer. As part of a chemical weapons ban, the United States is willing to enter into treaties in a mutual obligation to submit to international inspection on a regular basis all of its military or government-owned and government-controlled facilities.

This pledge to an "open invitation" for inspections is not made to make it because it is indisputable that an effective chemical weapons ban in the absence of verification is impossible. Violations through the risk of non-detection. The "open invitation" proposal increases the chances that violations will be detected and the chances that, in the event of violations, the evidence necessary for an appropriate international response can be collected. The heart of deterring violations.

If the international community recognizes that such a provision is essential for an effective chemical weapons ban and joins us in subscribing to such a provision, the United States will be in a position to make the

overcoming barriers that impede effective arms control in other areas. And we will have engendered the kind of openness among nations that dissipates ungrounded suspicions and allows peace to breathe and allows peace to thrive.

We recognize that all governments have secrets. Some speak as if openness and effective verification cut against their interests alone. But openness entails burdens for every state, every single state, including the United States. Openness of the kind we are proposing for the chemical weapons ban would come at a price.

But an effective ban on chemical weapons requires the kind of "open invitation" inspections we propose. We, our President, the U.S. Government are willing to pay the price of such openness. The enormous value of an effective ban warrants our doing so.

I know that the U.S. delegation to this body is eager for the process of negotiating a chemical weapons ban to begin to unfold. We hope and trust that the seriousness of this work, its urgency, and, perhaps most of all, the humane aspirations of the peoples represented here will spur all in this conference toward an early and successful agreement.

We do not underestimate the difficulties this task presents. I have said that the key to an effective convention—a convention that could eliminate the possibility of chemical warfare forever—is enforcement of compliance through effective verification.

Our emphasis on this point (and our "open invitation" verification proposal) springs from a desire that the ban work—work permanently, work effectively to provide the security all of us seek.

America's Commitment to Arms Control

The United States is encouraged that these negotiations to ban chemical weapons have already achieved broad international support. It is significant as well that work on this treaty is widely recognized to offer a promising opportunity for enhancing not only East-West cooperation but also cooperation among all nations.

Our delegation looks forward to serious consultations with the Soviet delegation, and to detailed discussions with all other participants, on the elaboration of these provisions and other necessary aspects of an effective

tical one—to work hard and in good faith; to build mutual confidence that, frankly, is lacking right now; to achieve real results.

The President has asked me again (I saw him just before I left for Geneva) to assure you again that the American commitment to work for effective arms control extends to all of the work of this conference and to reassure you that it extends to the work beyond this conference as well. We are pleased to be making progress in the multilateral negotiations in Stockholm on confidence-building measures in Europe; pleased to have resumed East-West talks in Vienna on reducing conventional forces in Europe.

Our commitment to results is equally strong on the all-important issue of nuclear arms control, where the United States believes it is essential to accelerate effective, verifiable agreements. And, as I think most people here know, we'd seek deep reductions in the world's nuclear arsenals and the greater international stability that would follow that.

Here, today, I again invite the Soviet Union to return to the two nuclear arms negotiations it suspended 5 months ago and to resume with us the crucial task of reducing nuclear arms. The United States remains ready to explore all ideas, without preconditions, at any time the Soviet Union chooses to renew the dialogue. We feel strongly about it; and in this committee—whose day-to-day work is dedicated in a multilateral way to arms reduction—I just feel that I had to make that point: we are ready, here, bilaterally, whatever form it takes.

As the President said in his January 16 address on U.S.-Soviet relations: "cooperation begins with communications." This concept is part of our entire approach to East-West relations and to all issues on the East-West agenda—be it arms control, regional problems, human rights, or an improvement in mutual understanding. We are ready—as the President has made clear in word and deed and action—to tackle the difficult work of genuine cooperation.

America has, in fact, reduced the overall size of its own nuclear arsenals over the last two decades. But we are ready to work for solutions and results—in Geneva, in Vienna, in Stockholm, or indeed in any place where men and women of good faith are willing to sit down and negotiate in earnest.

Since my visit here last year, the

even seeing a draft—have already chosen to issue statements charging that the introduction of this treaty text here today is the result of simple political motivation. I hope that we can convince those who have those reservations, made those statements, that we are sincere and that they will come to see, through the negotiations, our sincerity. Isn't it time that we focused on the concrete and open and universal—on the desire of all peoples for reducing the weapons and risks of war.

The United States has repeatedly over the last several years demonstrated its determination not simply to slow the rate of growth of the world's arsenals but to reduce these arsenals.

I mentioned we have reduced the overall size of our own nuclear arsenals over the last two decades. I don't think a lot of people even in my own country understand this. But the number of nuclear weapons in the American inventory was one-third higher in 1967 than in 1983; while from 1960 to last year, American nuclear megatonnage dropped by 75%.

In the last year, we've heard a lot of talk about the NATO modernization program. In 1979 the NATO countries decided to seek arms control negotiations but, in the absence of an arms control agreement, to deploy 572 Pershing II and ground-launched cruise missiles.

But agreement or no agreement, the NATO countries decided at the same time to remove 1,000 nuclear weapons from Europe. These 1,000 weapons are now gone. Last year at Montebello, the NATO allies decided to reduce their arsenal by another 1,400 nuclear weapons. And whenever a Pershing II or ground-launched cruise missile is put in place, an existing weapon will be taken out of service.

The result of all this is that absent a treaty, NATO will deploy the entire 572 new missiles. NATO will still have removed five nuclear weapons for every one that has been added.

In the nuclear arms control talks over the last several years, America has sought multilateral agreements that would make even deeper cuts possible.

In the intermediate-range nuclear forces (INF) talks 2½ years ago, we proposed the "zero option." The "zero option" would eliminate the entire class of land-based INF missiles. Later, we in-

terim step involving more limited reductions.

In the strategic arms reduction talks (START) that you are all familiar with, we proposed nearly 2 years ago a one-third reduction in the number of warheads on Soviet and American ballistic missiles. We subsequently also proposed alternative paths of "building down" and of "trading off" in order to move the negotiations forward.

We regret profoundly that the Soviet Union chose to leave, to walk out of the START and the INF negotiations, even while they continued their unprecedented and unparalleled deployment of strategic and INF systems. We know that we are joined by others here at the Conference on Disarmament in urging the Soviet leaders to come back, resume these important negotiations on which so much of the world's hopes depend.

At the same time we look forward to genuine progress in the mutual and balanced force reductions negotiations that are going on in Vienna and in Stockholm at those important talks, the Conference on Confidence- and Security-Building Measures and Disarmament in Europe.

We seek effective and equitable cuts in the world's nuclear, conventional, and

use. That is our goal and the determination to which we shall continue to dedicate ourselves.

We are determined that future generations will not look back on these and the other arms control negotiations of our time, as we look back on ones of generations past, and shrug and say: "Of course, all they did was, perhaps, to slow the pace of the arms race of that period. They didn't stop it or reverse it; and they probably couldn't have." We are determined to do better than that.

Conclusion

In conclusion, let me just say something about chemical weapons. There is a need, as I said in these comments, to reduce tension. But if ever, if ever in the history of mankind there was something on which people from every single country—not we government officials or our excellencies or all of that, but let us put it in terms of the people—in my view, a father and a grandfather, getting older (I served with many of you around this table when I was a father but not a grandfather). But in my view, there is nothing, there is no difference between a family walking along the streets of Vladivostok or Leningrad or Peoria, Illinois, or Paris or London or Caracas, wherever else it is, Belgrade—no difference: every single family, a child if he knows about it, is scared to death of chemical weapons. And we have come here today with a proposal that is very,

beyond what our own country (and we pride ourselves on openness)—but way beyond what we would have done a few years ago. A lot of that is in response to the feeling of people.

I have traveled to Africa, and people mentioned it there. In all these different continents, concern about all kinds of things—East-West, nuclear weapons, and all of this; but everywhere there is agreement on chemical weapons. So that is why I personally sound like I do.

But as the second-highest official in the United States of America, I came to this conference today. We are not suggesting there will be no criticism of what we have suggested. We are not saying that we are perfect, that everything must be exactly the way, and will end up exactly the way, that that treaty is drafted. But I just didn't want to leave here without telling some former colleagues, some new friends, some with whom my country may have differences, that we come here in a spirit of good will. And we come here trying to address ourselves to perhaps the most fundamental question on arms existing in the world today—that is, how do we, as civilized, rational people, eliminate, ban in entirety in a verifiable way, all chemical weapons from the face of the earth. ■

Secretary Shultz
League of Women Voters
Detroit
May 14, 1984

o issue is of greater importance to the American people than the issue of war and peace. It is the gravest responsibility any president, any administration, to defend the peace, so that our ideals of freedom and justice can thrive in an environment of security.

History has seen fit to bestow on our country a very special challenge. The moment when the United States took its place as a leader and permanent actor on the stage of international politics—at the end of the Second World War—coincided with the dawn of the nuclear age. From that point, there was no turning back. America could no longer attempt to isolate itself from world affairs—not when nations possessed the means to destroy each other on a scale unimagined in history.

But with the dawn of the nuclear age, there also came efforts—and with a special urgency—to limit or control this new weaponry. The United States led the way, proposing in the Baruch Plan of 1946 to eliminate nuclear weapons and place nuclear energy under an international authority. The plan was rejected by the Soviet leaders.

Today, this aspiration to banish the specter of nuclear war is shared by all civilized human beings. We are faced today with a basic truth: "A nuclear war cannot be won and must never be fought." That's a quote from Ronald Reagan. Guided by this truth, the United States has been seeking to enhance its national security not only by strengthening its defenses and its alliances but also—with equal vigor—by negotiating with the Soviet Union and other nations the most ambitious arms control agenda in history.

I want to speak to you today about this Administration's approach to arms control. I'll begin with a realistic look at

the role of arms control in our overall strategy for peace and security. Then I want to say something about the various negotiations on our agenda. Finally, I'd like to tell you what I see as the prerequisites for progress toward our arms control objectives.

ARMS CONTROL AS A DIMENSION OF INTERNATIONAL POLITICS

Preserving peace means more than avoiding catastrophe. As President Reagan has put it: "We must both defend freedom and preserve the peace. We must stand true to our principles and our friends while preventing a holocaust." There is no escape from this dual responsibility. We cannot conduct national security policy as if the special danger of nuclear weapons did not exist. But in our pursuit of peace and arms control, we must not abdicate our responsibility to defend our values in a world where free societies are the exception rather than the norm.

The intense rivalry today between East and West has been disciplined, in the nuclear age, by the specter of mutual destruction; but the rivalry has not ended. In any previous age, so fundamental a clash of national interests and moral perceptions might well have led to general war. In the nuclear age, this cannot be permitted, and both sides know it.

In light of that continuing rivalry, and the profound mistrust that it engenders, there are many skeptics who question the value of the arms control process. "Since we simply can't trust the Soviets to honor agreements," they say, "why bother to try to negotiate with them?" There are others who question our own commitment to the process, as though a strong defense and workable arms control agreements were mutually exclusive rather than mutually reinforcing objectives.

Well, we are committed to arms control, but that commitment is not based on naivete or wishful thinking. It is based on the conviction that, whatever the differences between us, the United States and the Soviet Union have a profound

and overriding common interest in the avoidance of nuclear war and the survival of the human race. A responsible national security policy must include both strong deterrence and active pursuit of arms control to restrain competition and make the world safer. This is our policy.

The effort to control weapons, of course, is not a product of the nuclear age. History has seen many attempts to negotiate limits on numbers or characteristics of major armaments. The goals were—and are—worthy goals: to be able to shift resources to other, more productive uses, and to add a measure of restraint, predictability, and safety to a world of political rivalries. Before World War I, Britain and Germany negotiated on ways of limiting naval construction. Between World Wars I and II, there were extensive multilateral negotiations to limit the building of capital ships, including a major naval disarmament agreement signed in Washington in 1922. The Kellogg-Briand Pact of 1928 even attempted to ban war itself as an instrument of policy.

These efforts, we well know, failed to prevent war. There is a lesson here: the endeavor to control armaments does not operate in a vacuum. It is a dimension of international politics, and it cannot be divorced from its political context. Arms control cannot resolve the ideological and geopolitical conflicts that lead to competitive arming in the first place. By itself it cannot deliver security, or prevent war, and we should not impose on the fragile process of arms control burdens it cannot carry and expectations it cannot fulfill. While arms control agreements themselves can contribute to reducing tensions, basic stability must underlie political relations between the superpowers or else the process of arms control may not even survive. The SALT II [strategic arms limitation talks] Treaty, for example, which had many other difficulties, was withdrawn from

Senate consideration at the request of President Carter after the controversy generated by the Soviet invasion of Afghanistan.

Therefore, while we pursue arms control with great energy, we must bear in mind that progress depends on many factors beyond the substance of the proposals or the ingenuity of the negotiators. For arms control to succeed, we must also work to shape the conditions that make success possible: we must maintain the balance of power, we must ensure the cohesion of our alliances, and we must both recognize the legitimate security concerns of our adversaries and be realistic about their ambitions. On this secure foundation, we must seek to engage our adversaries in concrete efforts to resolve political problems.

COMPLEXITY OF ARMS CONTROL

Because of this clash of interests and values, arms control negotiations between the United States and the Soviet Union are a difficult and laborious process and have always been so. Ever since nuclear arms control negotiations began in earnest some 20 years ago, the Soviets' perception of their military requirements, and their aversion to thorough measures of verification, have been significant obstacles to agreement.

No wonder, then, that all our arms control negotiations with them have been protracted. The 1963 Limited Nuclear Test Ban Treaty was preceded by 8 years of negotiation and discussion. The 1968 Non-Proliferation Treaty took 4 years to negotiate. The SALT I accords of 1972 took almost 3 years of effort, and negotiations for the SALT II Treaty lasted nearly 7 years.

Even with good faith on both sides, there are differences of perspective—deriving from history, geography, strategic doctrine, alliance obligations, and comparative military advantage—which complicate the task of compromise. The Soviets have long had an advantage in larger, more powerful intercontinental ballistic missiles (ICBMs); the United States took advantage of its technological superiority by developing missile-carrying submarines, smaller warheads, and a more broadly based deterrent. These asymmetries in force structure

and capabilities are not merely of academic interest. It is enormously difficult to define equality, for example, between very different kinds of forces. The problem is compounded by other factors such as the extent of air defenses, civil defenses, and hardening of silos and of command and control, in which the two sides' forces also differ.

The task of arms control has been further complicated by a continuing revolution in technology. Many of our strategic assumptions have been made obsolete by technological changes in the past decades. Not only is there no "quick fix" in arms control but there is no "permanent fix" either.

Ceilings on numbers of strategic missile launchers may have been more meaningful in an era of single warheads. Now, in an age of heavy intercontinental missiles, each capable of carrying large numbers of accurate warheads, limits on missiles alone are no longer sufficient. Significant reductions in numbers of warheads, and Soviet movement away from reliance on heavy ICBMs, are needed for strategic stability. This is the essence of our proposal in the strategic arms reduction talks (or START), and it is also an important message of the bipartisan Scowcroft commission's report on the future of our strategic forces.

CURRENT U.S. GOALS IN ARMS CONTROL

Previous arms control agreements have limited only partial aspects of nuclear arsenals, permitting development and deployment to proceed in other areas. Both sides have pursued technological innovation and expansion in areas not covered or inadequately covered by agreements with the result that after each new agreement there have been more nuclear weapons, not fewer. The experience of the past has now brought us to a more mature phase of the arms control process, in which we are compelled to tackle the real problems of nuclear stability more comprehensively and directly than ever before. At the same time, our efforts to control non-nuclear weapons are proceeding on all fronts.

Four Basic Objectives

In all our arms control efforts today, we are guided by four basic objectives: reductions, equality, stability, and verifiability.

Reductions. The agreements we seek should actually constrain the military capabilities of the parties by reducing weapons and forces substantially, not merely freezing them at existing or higher levels as most previous agreements have done.

Equality. These reductions should result in equal or equivalent levels of forces on both sides. An agreement that legitimizes an unequal balance of forces creates instability and may increase the risk of eventual conflict.

Stability. Arms control measures must genuinely enhance the stability of deterrence in crises. This means that after reductions, each side's retaliatory force should be secure enough to survive if the other side strikes first. Hence, under stable conditions, the temptation to fire first in a crisis or confrontation will be minimized.

Verifiability. Finally, arms control agreements must include provisions for effective verification of compliance by all parties. Experience has shown that agreements lacking such provisions become a source of tension and mistrust rather than reinforcing the prospects for peace. The President's recent finding of Soviet violations or probable violations of a number of arms control obligations underlines that effective verification is essential.

Arms Control Agenda

With these objectives as our guideposts the Reagan Administration has undertaken an unprecedented range of negotiations aimed at reducing the danger of war and building international confidence and security. In almost every case, the basic framework and concepts of these negotiations have been the result of Western initiatives, developed in close consultation among our allies and friends around the world.

START. Our proposals in the strategic arms reduction talks are designed to reduce the role in our respective arsenals of ballistic missiles, especially land-based intercontinental ballistic missiles

rapid response capability—of these missiles make them simultaneously more vulnerable to a first strike and more capable of being used in a preemptive strike against elements of the other side's strategic deterrent.

Since we announced our first proposals in May 1982, we have made a serious effort to meet Soviet concerns and to reflect evolving strategic concepts such as those articulated by the Scowcroft commission. The core of our proposal is to reduce the total number of ballistic missile nuclear warheads by approximately one-third, leaving 5,000 on each side. As a way of dealing with the problem of differing force structures, we are willing to negotiate trade-offs with the Soviets between areas of differing interest and advantage. After consulting with key Members of Congress, we also incorporated the concept of "build-down" into our position. This proposal would link modernization of missiles to reductions in warheads and would make mandatory a minimum annual 5% reduction in ballistic missile warheads down to equal levels.

Throughout the negotiations in 1982 and 1983, however, the Soviets seemed determined to hang on to the great advantage in destructive power of their missiles. In fact, their proposals would have permitted them actually to continue increasing the number of their warheads. They also dismissed the concept of build-down. It is fair to say that there was some progress made over the five START negotiating sessions. In response to alterations in our original proposal, they offered some constructive changes in their position. With our introduction of the trade-offs concept, we seemed on the threshold of significant progress. But unfortunately, the Soviets tied progress in START to having their way in the intermediate-range nuclear forces (or INF) negotiations; last December they suspended indefinitely their participation in START in frustration over their inability to prevent the deployment in Western Europe of Pershing II and ground-launched cruise missiles.

able preconditions. Since our objective in those talks was to eliminate that entire category of longer range INF missiles, we would have preferred not to have to deploy any such missiles of our own. President Reagan's initial proposal—and still our preferred outcome—was to cancel NATO's planned deployments of cruise and Pershing II missiles in exchange for complete elimination of Soviet SS-20 missiles. In an effort to break a year-long stalemate, we then put forward an interim proposal for substantial reductions in our planned deployments if Moscow would cut back to an equal number of warheads. Then, last September, we made further modifications in our proposal in order to meet stated Soviet concerns.

But, as in START, the Soviet objective was evidently to preserve the imbalance in their favor. In this case, the existing "imbalance" was a monopoly: more than 1,000 Soviet SS-20 warheads—with the number increasing steadily—versus none for the United States. The last idea they surfaced, just before breaking off the talks, was that each side reduce actual or planned deployments by an "equal number" of 572—still leaving 700 warheads in Europe and Asia for the U.S.S.R. and zero for the United States.

The Soviets' declared reason for withdrawing from both negotiations was that INF deployments had begun in Western Europe. But during the preceding 2 years, the Soviets had deployed over 100 SS-20s with more than 300 warheads; yet the United States continued to negotiate. In contrast to the Soviet buildup, NATO has been reducing the number of nuclear weapons in Europe. By the time our INF deployments are completed, at least five nuclear warheads will have been withdrawn from Europe for each U.S. missile deployed.

We are ready to resume negotiations—in both START and INF—at any time and without preconditions. Our proposals are fair, balanced, and workable. They remain on the table. The Soviets should need no new concessions to lure them back to Geneva. If they decide to return—and we hope they will—the Soviets will continue to find us and our allies serious and forthcoming negotiating partners.

have them. We have a vigorous, twofold approach to the problem of proliferation. First, we seek to create and strengthen comprehensive safeguards on exports of nuclear technology. We are working to strengthen the International Atomic Energy Agency (IAEA) and its safeguards system. At the same time, we strive to reduce the motivation for acquiring nuclear weapons by improving regional and global stability and by promoting understanding of the legitimate security concerns of other states.

These efforts have already contributed importantly to strengthening the global nonproliferation regime. One significant achievement is the clarification of China's nonproliferation policies during our negotiation of the nuclear energy cooperation agreement that was initiated during the President's trip to China. In January, China joined the International Atomic Energy Agency and said that it would thereafter require IAEA safeguards on its nuclear exports to states that do not possess nuclear weapons. Premier Zhao, in his January 10 statement at the White House, declared: "We do not engage in nuclear proliferation ourselves, nor do we help other countries develop nuclear weapons."

MBFR. Complementing our efforts to reduce the danger of nuclear confrontation, the Western allies have since 1973 been conducting talks with the Warsaw Pact nations on the mutual and balanced reduction of conventional forces in Europe. Our goal has been to reduce the conventional forces confronting each other there to a lower, equal level. Progress has been frustrated by the discrepancy between manpower figures provided by Eastern negotiators and Western estimates of actual manpower. Last month, along with the other NATO participants, we put forth a new initiative aimed at resolving this discrepancy and paving the way for verifiable reductions to parity. We hope that the Soviet Union and the other Warsaw Pact participants will seize this opportunity to break the impasse at Vienna.

conditions of inequality, fear or perceived; this is a fact of life proven by the experience of the 1970s.

Second, the unity of our alliances is both a prerequisite for success and a basic interest we will not sacrifice. This is why the unanimity displayed at the Williamsburg summit a year ago was so important. The Soviets seek to exploit arms control negotiations as a tactic to divide the West. They would like to establish a veto over NATO weapons deployments. They would like to maintain a monopoly of longer range INF missiles in order to achieve political dominance in Europe. These things we cannot and will not let them do. Thus, we have proceeded, and will continue to proceed, in the closest consultation with our allies and friends in both Europe and Asia.

Third, experience teaches that the arms control process cannot survive constant Soviet assaults on Western interests around the globe. The future of arms control, therefore, will depend in part on a Soviet willingness to help defuse tensions and regional conflicts, rather than exacerbate them. The problem is not only that these expansionist Soviet actions sour the atmosphere but that they run the risk of confrontations that can erupt into war. The increased stability we are trying to build into the superpower relationship through arms reduction is bound to be undermined when the Soviets are irresponsible in other regions of the world.

Fourth, stability can be enhanced by identifying and focusing on common interests shared by the two sides, rather than concentrating solely on what divides us. Although we will continued to pursue divergent political goals, we have come together in arms control forums in recognition of our common interest in reducing the risk of war and clarifying the ground rules of international conduct. Whether through major arms control agreements or confidence-building measures, we can

give concrete expression to this common interest and make the world a safer place. Preventing nuclear proliferation is another objective in which the United States and the Soviet Union have a common stake and is an area with considerable potential for greater cooperation. And, as an important bonus, the savings of world resources could be significant.

Ultimate success in our arms reduction efforts will depend on all these conditions: a credible deterrent, strong alliances, responsible international behavior by the Soviets, and a willingness to compromise in recognition of our overriding mutual interest in the survival of civilization. But these conditions, in turn, depend in the last analysis on the qualities that we as a nation bring to the enterprise: patience, perseverance, and national unity.

We Americans are sometimes an impatient people. It is a reflection of our traditional optimism, dynamism, and "can-do" spirit. Usually these qualities are a source of strength—but in a negotiation they can be a handicap. If one side seems too eager or desperate for an agreement, the other side has no reason to offer a compromise and every reason to hold back, waiting for the more eager side to yield first. It is paradoxical but true: standing firm is sometimes the prerequisite for moving forward.

Just as cohesion among the allies is crucial to the West's bargaining position in INF, MBFR, and all negotiations affecting our allies and friends, so unity in this country is critical to our hopes for progress in all these negotiations. If America appears divided, if the Soviets conclude that domestic political pressures will undercut our negotiating position, they will dig in their heels even deeper. The constructive bipartisan spirit shown by the Congress in support of arms control and our strategic modernization programs is a model of what is needed. Those who have supported those programs deserve our gratitude; they have advanced the prospects for progress in arms control.

If the Soviet Union rejoins the negotiating process, and shows that it is willing to advance balanced proposals, I can tell you here and now that the United States is prepared to respond in a constructive spirit.

CONCLUSION

For all the difficulties, strategic arms control negotiations have been virtually continuous since the first SALT talks began in 1969. The dialogue has continued between the Soviet Union and the United States even in times of tension and through major changes of leadership on both sides. The Soviets have temporarily brought part of this dialogue to a halt, but some discussions are continuing. We stand ready, with reasonable proposals, to go forward with all these negotiations in a spirit of give-and-take.

All American Presidents since the dawn of the nuclear age have committed themselves to the effort to reduce the dangers of war. They have all taken, in essence, the same path: maintaining our military strength, working with our allies, and negotiating with the Soviet Union. Ronald Reagan follows in this tradition. No President can be oblivious to what is at stake. We have learned many valuable lessons from the arms control efforts of the past. We are realistic, and we are tackling the toughest issues boldly, comprehensively, and without illusions. No President has been more willing to face up to the real challenge of peace and security than Ronald Reagan.

Let the national debate, therefore, be conducted at a level of serious, constructive dialogue worthy of the momentous importance of the subject. At stake is the future of all of us, and on this issue we are not Republicans or Democrats but Americans. If the President, the Congress, and the nation work together, we will be a formidable force for the reduction of both armaments and the danger of war, for the defense of freedom, and for the preservation of peace.

The problems are too urgent and the dangers too great to put off searching for solutions until we and the Soviets have resolved all of our political differences. By defending our values, while emphasizing the common interests of ourselves and our adversaries, I believe we can find a way to reduce the dangers. Then, as President Reagan has said, "we can pass on to our posterity the gift of peace; that, and freedom, are the greatest gifts that one generation can bequeath to another." ■

The U.S. and East Asia: A Partnership for the Future

Secretary Shultz
World Affairs Council
San Francisco
March 5, 1983

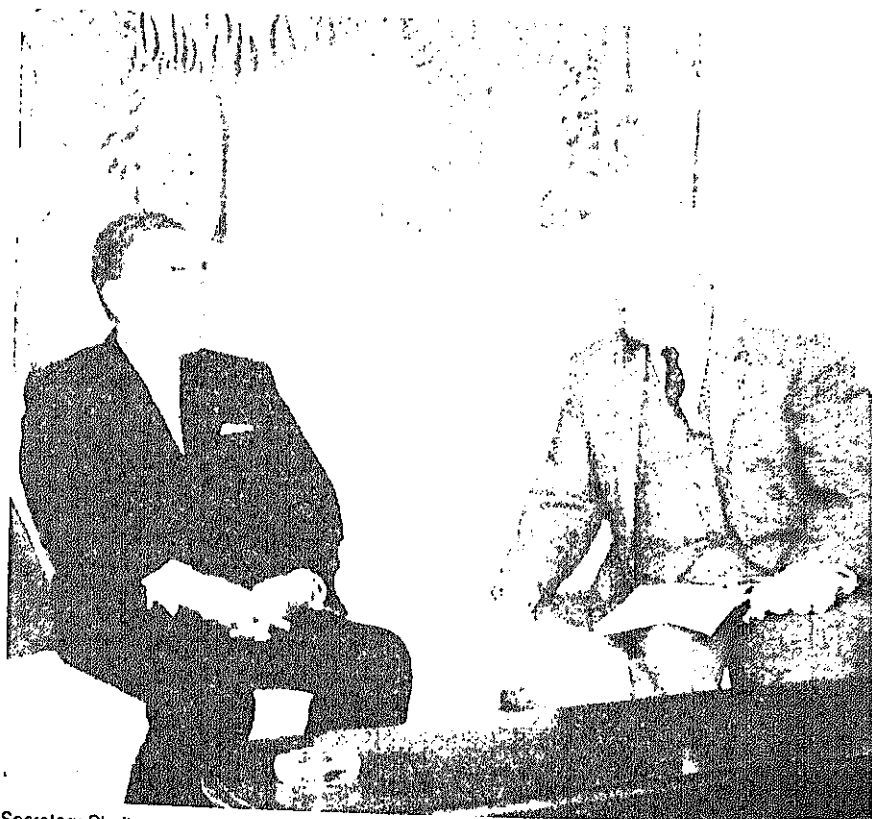
Phil Habib's [Philip C. Habib, special representative of the President to the Middle East] magnificent work in the Middle East has made him almost a legend—and in his own time no less. We salute him for his tireless efforts and for what those efforts have achieved. But remember: In the course of his outstanding career, he has been involved in every part of the world. In East Asia and the Pacific, he served with distinction as ambassador and assistant secretary. The ambassador's residence in Seoul is known admiringly as "the house Habib built." Phil will agree and note ruefully that he never lived in it. I have just returned from a trip to Phil's old stomping ground convinced more than ever that if you want to understand the future, you must—like Phil—understand the Pacific region.

Understanding Asia and the Pacific

My recent trip to Northeast Asia, and 2 days of meetings with our chiefs of missions from all of the Asian Pacific area, underlined for me the importance of this vibrant area for the United States and for the world. The dynamism that I saw convinces me that, as important as the region is today, it will only be more important tomorrow. The people are smart, they learn, they work, they have resources. They have an important future, and we should be part of it. Nothing underscores the direct interest of the United States in this region more than two simple facts.

- We trade more today with the nations of the Asian Pacific than with any other region on Earth.

- We have fought three wars in the Pacific in the last 40 years. We do not want to fight another, and this is a



Secretary Shultz meets with Japanese Prime Minister Nakasone, January 31, 1983.

My trip left me with many strong impressions. Some features of the region—such as its economic and political progress—offer great hope. Others—such as the poverty and injustice that can still be found and the menacing military postures of Vietnam, North Korea, and the Soviet Union—present all too familiar challenges. But all observers would agree that the region is less troubled than it was in the early 1970s.

The great majority of nations in the region have used the last decade well. They have developed a new self-confidence, and they have much to be self-confident about. It is a confidence born of economic success and of an emerging

strong and getting stronger. If there is a symbol of the dramatic change that has marked the region in recent years and of the benefits that such developments can bring to us all, it is perhaps China's emerging role as a constructive force. But this is only one of many important factors in the region's success and in the progress that has been made since earlier years of the post-World War II period.

The new success and maturity in Asia today provide a pattern for the future but, as well, valuable lessons for the present. Tonight, I would like to discuss four of these lessons.

First, there is a need for a global

ard, the extension of economic political freedom is of essential importance to the region's future.

Fourth, the United States has both interests and a unique and critical play in the area.

Need for a Global View

And foremost, the trip reinforced what we all know: The fate of regions and nations around the world are interrelated. No one area of the world can be the drawbridge and ignore problems elsewhere.

Forty years ago, in his famous farewell address to Congress, General Marshall said:

Issues are global and so interlocked that to consider the problems of one sector, and to those of another, is but to court disaster for the whole.

While Asia is commonly referred to as the gateway to Europe, it is no less true that Europe is the gateway to Asia, and the broadness of the one cannot fail to have its impact on the other.

General Arthur's statement is today more true than ever.

Decisions about nuclear missile deployments in Europe could have a major impact upon Asian security, a fact emphasized by proposals by the Soviet Union which would have the effect of increasing the Soviet intermediate-range threat from Europe to Asia.

Decisions on trade and free trade in Asian lands influence the actions of legislators in Washington and decisions worldwide. The world is urging Japan, in particular, to see if markets will be more open to competition abroad.

The continued growth of Asian economies is an essential element of world and European recovery, while investment in those economies will send resources coursing across the Pacific.

The sealanes and resources of the region are not only of strategic importance to the countries in the region, they are vital to the defense of the Indian Ocean, East Africa, and the Middle

East Asian and Pacific nations, we hope to see them adopt an increasingly global view. Indeed, we see encouraging steps in this direction.

East Asian and Pacific nations

strengthening the General Agreement on Tariffs and Trade (GATT) and maintaining an open international trading system, as they see with growing clarity the threat of protectionism around the world.

- Even smaller Asian countries, such as Korea, see that they must consider modification of their own protectionist policies (local content legislation, for example) to help insure their own continued access to larger markets.

- On the security front, Australia, New Zealand, and Fiji have contributed peacekeeping forces for the Sinai.

- ASEAN [Association of South East Asian Nations] governments are playing an effective and constructive role in the Nonaligned Movement, the Islamic Conference, and other international fora.

- Japan has provided economic assistance to states in the Middle East and Caribbean.

- China, while not yet a wealthy nation, has proven itself among the most sophisticated, with a decidedly global approach to economic and security issues and a clear view of the importance of resisting Soviet aggression.

As the Pacific region gains strength and confidence, it will be increasingly aware of, and increasingly influential in, the global agenda.

A Growing Community of Interests

The second lesson about the Pacific region is that our policy must reflect the growing community of interests among nations there in preserving peace and promoting economic progress. There are no broad regional institutions like NATO and the European Communities (EC) to provide a framework for regional cooperation. The great differences and historical animosities that separate different countries probably preclude the establishment of such institutions for the immediate future. But, despite enormous diversity, the nations of the region are increasingly cooperating with one another. This new and encouraging pattern is driven by two factors:

- The immense stake that they have in continued economic growth and an open world economy and

- A clear-eyed perception of the military threat posed by the forces of

1970s, Hong Kong, Taiwan, Singapore, and Korea all achieved average growth rates above 8%, while the Philippines, Thailand, Indonesia, and Malaysia posted average growth rates of from 6% to 8%—all above the average even for developing countries.

These economic achievements have given the nations of the Asian Pacific a new weight in the world. For example, the region now accounts for one-sixth of total world trade. These achievements are not accidental. They are the fruit of a commitment to hard work, a willingness to sacrifice immediate benefits for future growth, and generally sound policies of economic management. But Pacific region nations recognize that continued success is dependent on a healthy world economy.

Nations of the region are similarly aware of the keen threat to the region's security posed by the Soviet Union and its clients. A decade and a half ago, Soviet warships seldom ventured south into the Pacific. Now, the Soviets have their largest fleet in that ocean, backed by modern, long-range bombers. Soviet land forces in the region have also grown during that time, from 20 to more than 50 divisions. Most ominously of all, some 100 intermediate-range SS-20 missiles, each equipped with three warheads, threaten Asia.

With massive Soviet assistance, 180,000 Vietnamese troops occupy Kampuchea, use toxin and chemical weapons on innocent civilians, and threaten the peace and stability of Southeast Asia. The North Koreans, who spend 20% of their gross national product on their armed forces, threaten their southern neighbors with an armed force of over 700,000, one of the largest armies in the world. When you visit the DMZ (demilitarized zone) in Korea, as I did recently, the tension is palpable. You know what it means to confront real danger, as American soldiers and their South Korean allies do every day.

Nonetheless, common economic and security concerns are breaking down communication barriers, reducing historical animosities, and spurring the nations of the region to take responsible steps in their own interests. Let me give just a few examples.

- The Japanese Government has acknowledged its responsibility for main-

taining an open world economy and is opening its own markets for freer trade. The new prime minister's attitude toward this effort is refreshingly operational, recognizing that procedures for, say, licensing, inspection, and registration are as important as policy pronouncements. In addition, Japan has affirmed its commitment to undertake broader responsibilities for its own defense, appropriate to its abilities and its constitutional requirements.

- Prime Minister Nakasone's recent visit to Seoul, and Japan's sizable foreign assistance to Korea, have put the important Japanese-Korean relationship on a new and stronger footing.

- The ASEAN states have put behind them many of their differences. They are working effectively together to resist Vietnamese aggression and to mobilize international support for a peaceful outcome in Kampuchea.

- Thailand, Malaysia, Indonesia, the Philippines, Australia, Hong Kong, Japan, and China have all played major roles in handling the massive exodus of Indochinese refugees.

- The new Pacific island states are building both regional and national institutions simultaneously, with the help of their neighbors in Australia and New Zealand.

- The Republic of Korea has initiated a productive dialogue with states in the region.

- And China has begun to seek closer cooperation with a number of its neighbors and to play a constructive regional role, especially in its efforts to combat Vietnam's aggression in Kampuchea and elsewhere.

Clearly, there is more that can be done and more that we would like to see done. We will continue to urge Japan to assume a greater share of the burden of its own defense and to open its own market to the free competition that Japanese products enjoy in the United States.

But both we and Japan must also look beyond these bilateral concerns to our shared responsibilities. As President Reagan recently said, "... no two nations are more mutually dependent than the United States and Japan ... Our partnership is so essential, we have a strong obligation to our own peoples, to each other, to insure its continued vitality."

As Japan's weight has grown, so too

countries in Asia and Latin America, and official economic assistance must reflect Japan's global interests. If we are patient, as well as persistent, we can do more than just maintain the remarkable post-World War II record of Japanese-American cooperation. We can build on it and make it an increasingly important part of our future.

China's new, more constructive, though guarded, role is welcome, and a closer relationship with China will benefit the people of both our countries. However, frustrations and problems in our relationship are inevitable. They will arise not only out of differences concerning Taiwan but out of the differences between our systems. We believe that these problems can be managed and that the community of interests that promises further progress is real. Our relationship with China has brought tangible results and can be a potent force for stability in the future of the region. As President Reagan has said, "Our relationship with the People's Republic of China is important not only for stability and peace in Asia but around the globe ... Despite our differences, it is clear that both sides value this relationship and are committed to improve it."

Progress in U.S.-China relations need not come at the expense of relations with our other friends in the region, including our close unofficial relationship with the people of Taiwan. To the contrary, it can contribute to the peace and economic progress of the entire region. The key to managing our differences over Taiwan lies in observing the commitments made in our three joint communiques and allowing the parties themselves to resolve their differences peacefully with the passage of time. To improve our relations we must both work to reduce impediments to expanding trade in technology, as well as other economic relations, consistent with our long-term security needs. We must also seek to resolve any misunderstanding or dispute through consultations and negotiations rather than by unilateral action.

In so doing, we work to build a long-term, enduring, and constructive relationship on a basis of mutual confidence. As I made clear in Beijing, Chinese leaders will find the United States ready to join with them on that basis in pursuing our common interests in peace and modernization. We value Sino-American

Importance of Economic and Political Freedom

The third lesson is the importance of economic and political freedom for the region's progress and security. Our bilateral relations are on their most footing with those countries that share our commitment to democratic values. We believe that democratic nations are more likely to follow the just and sensible policies that will best serve the future of the region and the globe.

The Pacific region's economic growth has shown the efficiency of a free-market system. The progress of ASEAN states, South Korea, Hong Kong, and Taiwan has become a model of successful development for the Third World.

Political progress is more difficult to gauge than economic change. And usually it seems to move at a slower and even pace than we would all desire. From a long-range perspective of free-market nations in East Asia and the Pacific clearly reveals, I believe, a trend toward the growth of democratic institutions and arrangements for economic and political conduct.

Japan is the most obvious example, but younger nations are moving in a similar direction. Indonesia last year added to an increasingly long record of regularly held elections. And Malaysia has accomplished that most difficult task: peaceful changes of leadership through an electoral process. The new Pacific nations have laid strong foundations for popular participation in government. The Republic of Korea, despite continuing intense pressure from the north that creates severe internal pressures as well, has taken additional welcome steps recently toward liberalization and toward an eventual constitutional transition of power in 1987.

The extension of democratic processes and institutions and the respect for human rights in general are integral elements to the achievement of lasting progress and legitimacy. Abuses of human rights undermine the progress of legitimacy, and even the stability of governments, thereby vitiating other gains.

In the end, economic and political freedom, both important in their own right, are closely intertwined with security concerns. For economic and political progress provides the resources

unities for external aggression. The President Reagan has said, "economic freedom is the world's mightiest engine for abundance and social justice."

The Unique U.S. Role

The fourth and final lesson is that our role in the region is unique. We are the one nation of the region with both a worldwide view and the capacity to implement a worldwide policy. As a great power, we have great responsibilities. We have borne them well, and we must continue to do so.

It is necessary and proper that we encourage those countries that share the benefits of a peaceful and prosperous world order to assume greater responsibilities for maintaining it. We will not ask how we can perform that task by ourselves or how we can get others to do it for us, but how we can combine our strength with those who share our commitment to peace and economic progress. Fortunately, in the Pacific region there are many who share those interests, and their strength is growing.

Our goal in asking others to increase their efforts is to gain added strength together, not to decrease our own efforts. The United States will remain a Pacific power. Although specific tasks may change, our overall responsibilities will not be diminished in importance nor shifted to others. This is particularly true of our security relationships with our friends and allies in the area.

- Our treaty commitments—particularly to the front-line states of Korea and Thailand—are essential to give our partners the self-confidence necessary to face potential threats.

- These commitments and our alliances with Japan, with Australia and New Zealand, with the Philippines, and

coordinating element in a region where broader alliance arrangements are not feasible.

- And because our influence is so broadly felt throughout the region, the way we handle each of our bilateral relationships affects the interests of many others. As we seek, for example, to build a stronger relationship with China and to manage the differences between us, we must remember that the interests of many other friends in the region may be affected as well.

- In Asia, as in the rest of the world, there remain threats that only the United States can meet. If we do not play our role, the shadow cast by Soviet military power will threaten the region's hopes for progress.

In playing that security role in the world, we intend to be attentive to Asian interests. That specifically includes our approach to the Geneva negotiations with the Soviet Union on intermediate-range nuclear missiles. As President Reagan recently said, "Soviet proposals which have the effect merely of shifting the threat from Europe to Asia cannot be considered reasonable. Security in this sense is—and will remain—indivisible."

In the years since the Vietnam war ended, we have made great progress in overcoming the inevitable doubts that arose in the region about the will and capability of the United States to fulfill its important role in Asia. President Reagan's strong efforts to continue that progress have increased the credibility of our role in Asia and, in the process, increased the self-confidence of our friends in the area as well.

Conclusion

If it is true that much of the future will be shaped in Asia, then our policies toward this region are of special importance. The record of the nations of the Asian Pacific in recent years is en-

free of problems—far from it. But most of the nations of the region—despite enormous differences of every kind—share a realistic and confident approach toward solving problems. And a dynamic community of economic, political, and security interests has begun to take shape.

- Most nations of the area have faced—and many still face—immense problems of poverty and dislocation. But these problems are being addressed with imagination, with self-reliance, and with remarkable success.

- The countries of the region face great threats from the Soviet Union, Vietnam, and North Korea. But they are meeting these threats with realism and with a determination not to be intimidated.

- Great national and cultural differences, deepened by historical antagonisms, place obstacles in the way of cooperation among nations of the region. But increasingly these nations are recognizing the overriding importance of working together in the interest of peace and economic progress.

We Americans recognize—and welcome—this progress. Our Asian Pacific partners are developing rewarding relationships not only with us but with each other. They also are joining with us in cooperative efforts that extend beyond the Pacific region and increasingly bring their positive influence into the world at large. These steps are the basis for a global role that will fit the region's growing strength and responsibilities. We Americans are determined to join in these steps to further our community of interests. The results will have much to say about the future—for us and for others throughout the world. ■

**Secretary Shultz
Shimoda Conference
Warrenton, Va.
September 2, 1983**

The night before last we first learned that a Korean Air Lines plane was missing. It is an appalling attack. The airliner was shot down by a Soviet fighter in cold blood after 2½ hours of Soviet surveillance. We have demanded an explanation. No explanation has been provided. There is no explanation for this act of barbarism. We grieve for those lost and their families. We pledge relentless efforts against totalitarian systems and the patterns of behavior they produce and for a world of freedom and decency. We welcomed the instant cooperation among the Governments of Japan, Korea, and the United States. We know and we can see from our own activity yesterday and in calling around that something like this tends to consume all of your attention. At the same time, it is good to reflect on the fact that there was this instant cooperation of all of the Japanese people, in effect, and the American people and Korean people. And to a major degree, I think, this is an illustration of the bonds that have developed and the confidence that exists among our countries.

The Shimoda conferences are the most important nongovernmental forum for the discussion of the Japanese-American relationship. These meetings bring together a truly distinguished body of experts in the field of Japanese-American relations and people from both countries who care about the future of our partnership. I am pleased and honored to take part today in the sixth Shimoda Conference—the first to be held in the United States.

As most of you know, Shimoda has a symbolic and historical significance that long precedes these conferences. Formal relations between Japan and America, in fact, began with the Treaty of Amity, signed in 1854, which opened Shimoda as a port of refuge for American shipping. A few years later a commercial treaty was signed by our first consul, Townsend Harris, who opened the first American consulate in Japan—at Shimoda.

Much has changed since then. Both our countries have grown from isolated agrarian societies into major industrial powers actively engaged in the affairs of the world. If Shimoda in 1854 represents the beginnings of communication between us, the Shimoda conferences today reflect the richness and fullness of our cooperation in the modern era.

I want to say a few words here about the importance of our relationship, the impressive record of our cooperation, and the agenda of common action that is still before us.

Importance of the Japanese-American Relationship

It is truly extraordinary that two countries so culturally different, so geographically distant, have forged a partnership as close and effective as ours. Its importance in the last 30 years can be measured by some economic statistics, which show:

- Japan took about 10% of our total exports last year, a larger share by far than any country except Canada;
- We bought 25% of Japan's total exports;
- In 1976 our two-way trade already was a whopping \$27 billion, but in 1983 it is expected to exceed \$60 billion, more than double what it was 7 years ago and more than triple what it was 10 years ago;
- Our combined gross national product (GNP) now accounts for about 35% of the total GNP of the world. That's a staggering proportion. We say it to each other so much, but we don't quite appreciate how significant that is.

Even more important than the statistics, however, is the recognition on both sides that our ideals and values are fundamentally the same and that our political, economic, and security interests are fundamentally congruent. We are two great democracies, permanent friends, firm allies, and partners in any number of cooperative endeavors, from mutual security, to aid for developing countries, to medical research. I can

tell you that the American people are proud to be friends and allies with Japan.

But like all good things, friendship requires care and attention. These conferences, often convened during times of stress in the relationship. In 1967, the first Shimoda Conference dwelt on potential problems then loomed on the horizon: continuation of the San Francisco treaty and the negotiation of Okinawa. In 1969, the second Shimoda Conference dwelt on the much concern about Vietnam. In 1971, the third Shimoda Conference dwelt on the "widespread" tensions between us. In 1973, the fourth Shimoda Conference dwelt on the considerable attention was given to the withdrawal of our ground troops from Korea—plans that were later abandoned.

It is well to remember that this is not new to this relationship. You may know, Commodore Perry brought with him to Japan the President Fillmore. Like so much of the correspondence between the President and the Prime Minister to this day, it was trade relations. When the Treaty of Amity was being negotiated, the American side was urged to stay at home to secure trading with Japan. And yes, they found it pretty tough.

But it is also well to remember that the problems we have faced over time in our relationship have been met and solved to mutual satisfaction. That's the real point. Not that there have been some problems, but that we always problems in any partnership, especially whether or not we are to do something about it. The demand for dialogue—of the kind exemplified by this conference—exists. There are problems of course, because of cultural and linguistic differences, there probably always will be. Real dialogue is a process of listening, and it is clear that this is increasingly characteristic of our relationship.

The frequency of our consultations has expanded in the past few years. When Foreign Minister Abe during President's trip to Japan this N

November the President and Prime Minister Nakasone will be meeting for the fourth time this year. It was not until 30 years after the end of World War II that an American President first visited Japan. Now, when President Reagan goes to Japan in November, he will be the third consecutive president to do so.

And the dialogue is expanding at every level. At our annual aid consultations in June, for example, the Japanese side suggested, and we agreed, that our yearly meetings were not enough to get the job done. Henceforth, we will meet quarterly. The semiannual Japan-U.S. subcabinet economic consultations involve nine U.S. departments and organizations, with their Japanese counterparts, in reviews of the full range of our economic relations.

Nongovernmental contacts are expanding just as fast. I take particular personal interest in the newest of these—the U.S.-Japan Advisory Commission—members of which are here with us today. This commission has been charged by the President and Prime Minister to look over the horizon and provide ideas and recommendations on the problems and opportunities of the future and consider how the United States and Japan can cooperate in meeting them. This is an awesomely open-ended mandate, but the commission has made considerable progress in its first 3 months. And I might say that comes as no surprise considering the very high quality of the members of the commission.

The United States enthusiastically welcomes the expansion of this dialogue. It is a reflection of the maturity of the relationship as well as of its scope. It has helped not only to solve bilateral problems but also to prevent a number of problems from developing at all. Rarely in history have two nations conferred so fully and so frequently on so many subjects.

The very growth of the dialogue, however, can raise problems of its own. In an earlier, less complex stage of the relationship, all of its important bilateral issues were addressed by men and women thoroughly conversant with all aspects of the relationship—that is, by experts on relations between Japan and the United States. Today, there simply are not enough of you to go around,

participants, although they are experts on the specific issues on which they work, do not always have your broad backgrounds or your sensitivity to all facts of the relationship. You must be educators, therefore, as well as pioneers. Perhaps you can help find solutions to this problem, which is a byproduct of your own success.

The Record of Cooperation

The real measure of our success is not how much we talk together but what we do together. In this respect, something else very remarkable has happened, which presents us with another, more profound, challenge. An increasing Japanese perception of Japan's global responsibilities; a resurgence of American confidence and of confidence in America; our combined influence on world events; and, indeed, the fact that increasingly what we do bilaterally has worldwide ramification, have turned our partnership into a truly global relationship. We are faced now with unprecedented opportunities, to act as partners on a global scale, and we have an obligation to grasp those opportunities and to use them for the advantage of present and future generations of the entire world.

We must not fail. We will not fail. Already there are many examples of the good we can accomplish working with one another and with our friends and allies. The United States and Japan are the two largest providers of relief for refugees. In July, Japan's Ministry of Foreign Affairs announced its intention to provide nearly \$9 million worth of American wheat to Afghan refugees in Pakistan through the World Food Program. This generous gift is but one of many that both countries make throughout the world frequently. (The interrelationship is what I wanted to highlight by that example.) The Japanese have provided Afghan refugees with over \$41 million in assistance since 1979.

In the strategic Persian Gulf, whose security is vital not only to Japan and the United States but equally to our European allies, Japan's role today is already far more important than commonly realized. Indeed, Foreign Minister Abe has just returned from a highly constructive mission to Iran and Iraq.

key countries close to the Persian Gulf region whose stability is critical to the security of the gulf itself. Yet they are not wealthy oil exporters, and they confront formidable economic problems. Significantly, Japan gave more economic assistance to Pakistan last year than any other donor in the world, including ourselves; more economic assistance to Egypt than any European donor; and more economic assistance to Turkey than any European donor except Germany. Japan has thus assumed, largely within the space of the last 5 years, a major role in the stability of a vital region, a role that reflects both Japan's growing assumption of global responsibilities and the contribution that Japan can make to strengthening global stability.

Other examples of political cooperation come to mind. On the problem of Kampuchea, our two countries not only have provided substantial relief for Khmer refugees but also have opened new opportunities for consultation with other concerned nations, particularly the ASEAN [Association of South East Asian Nations] nations, on the continuing crisis in Indochina. Japan's decision to withhold economic aid from Vietnam until all Vietnamese troops withdraw from Kampuchea has helped to make the dialogue with ASEAN a fruitful one.

American and Japan also share a common goal in promoting China's modernization and in encouraging China's constructive engagement in Asia. The recent Japanese economic aid to the Republic of Korea and the steady improvement in Korean-Japanese relations are contributing significantly to the stability of Northeast Asia.

Japan's more active foreign policy is contributing significantly to efforts to control and reduce nuclear weapons. At the Williamsburg summit, Japan joined with the other industrial democracies in a common position on theater and strategic nuclear weapons and the effort to reduce them. Together we have made it clear to the Soviet Union that an agreement on intermediate-range nuclear forces that shifts the threat from Europe to Asia is unacceptable; limits on these systems must be global if they are to be meaningful. The growth of Soviet military power in Asia leaves us no alternative. For the Soviets are increasing their Asian deployments of nuclear weapons and are continuing to

necessary for defense. President Reagan, therefore, has dedicated his Administration to the goal of reducing nuclear weapons in negotiations with the Soviet Union. We have consulted closely and continually with the Japanese Government. Japan's views and advice on our arms reduction initiatives are highly valued.

Our cooperation, of course, extends to many other areas, including medical research (particularly cancer research), energy, technology transfer to developing countries, controlling strategic exports, and more. Altogether it is an impressive record.

Next Steps in Japanese-American Cooperation

But history never stops. As we face the future—as mature partners now on a global scale—a number of essential tasks remain on our agenda.

First, we have a responsibility to reaffirm by our actions our commitment to free trade. At Williamsburg, our countries committed themselves to halt protectionism as recovery proceeds and to reverse it by dismantling trade barriers. The strength of Japan's economy clearly allows for further action now with respect to important trade restrictions that remain, such as agricultural import quotas and the *de facto* limitation of major areas of government procurement to domestic firms.

I recognize that such far-sighted actions are not easy or without cost. But the value of the open trading system is immeasurable—to Japan above all—and, correspondingly, the damage should it break down would be immeasurable. Responsibility for the trading system is a shared one. Although we experience occasional setbacks, President Reagan's recent decision on numerically controlled machine tools stands as an example of his Administration's dedication to maintaining the free trading system.

Recently, the Japanese Government has taken several important steps to reduce trade barriers in order to increase access and give more equal treatment for foreign goods in Japan. We welcome these steps. We encourage Japan not only to put them into effect

expediently but also to pursue other measures for opening markets, for this will reduce serious stresses in our relationship. We would urge Japan, for example, to act promptly to carry out the simplifications of standards and certification procedures recently enacted into law. In anticipation of liberalized access to Japanese markets, the Reagan Administration, for its part, pledges to continue to oppose protectionist measures in the Congress.

A second important task for the future is to work together and with the other major industrialized countries to create the conditions for a more stable international monetary system. This also was a commitment at the Williamsburg summit. Many in both our countries are worried that the current exchange rates do not accurately reflect the relative trade competitiveness of our two economies. In fact, exchange rates in today's highly interdependent world reflect much more than trade relationships. The relative conditions in our whole economies, and particularly the resulting international flows of capital, now determine these rates.

Last spring our governments agreed that bringing about greater convergence in economic performance was the essential prerequisite for greater exchange rate stability. Closer convergence of performance will also help assure that exchange rates more accurately reflect the real comparative advantages of our economies.

We both have some work to do here. The United States needs to work harder to reduce its budget deficits and to bring down interest rates. Japan needs to nourish its still-modest recovery, for recovery will enable Japan to use more of its impressive savings at home. There is one important error we must both avoid: anxieties over the yen-dollar rate must not lead us to take actions, such as new restrictions on trade, for such restrictions would only make matters worse. But we cannot overreact to this problem because it is cascading over everything else. And the United States is headed into a trade deficit on the order of \$70 billion. This is, in a sense, the contribution of our expansion to the expansion of other countries. But it is very, very large. And when put in the light of the high unemployment in the United States, I think we can well understand the pressures that this naturally generates. So this is a problem

judgment, it is importantly connected with the yen-dollar relationship and with other currency relationships.

A third task facing us is to help in the development of the less developed economies of the world. Both Japan and the United States have a vital interest in this. At Williamsburg we agreed to work for new trade liberalization negotiations in the General Agreement on Tariffs and Trade, with particular emphasis on expanding trade with developing countries. No single action could contribute more to the long-term economic development and well-being of the developing world. Trade, investment—those are the things that really get you somewhere.

Growing and stable economies in the developing world provide the essential basis for the growth of democratic political institutions, the flourishing of which throughout the world is unquestionably of prime importance to both Japan and the United States. Our two countries are now actively studying how to coordinate our foreign assistance programs. We applaud the efforts Japan is making to open its markets more fully to the products of developing countries.

A fourth task for the future is to respond to other opportunities for cooperation throughout the world. Often, this can be accomplished through such institutions as the Organization for Economic Cooperation and Development, the General Agreement on Trade and Tariffs, the International Energy Agency, the International Monetary Fund, the World Bank, and the regional development banks. But in addition, we must be prepared to coordinate directly, as we have in the past. Our responses—along with others—to the invasion of Afghanistan and to martial law in Poland provide good examples.

Finally, our efforts in the field of mutual security require continuing attention. Japan has made significant progress toward strengthening its capabilities for self-defense. We must both do more to quicken our pace in fulfilling the roles and missions we have each adopted. In this regard, the Japanese have stated as a matter of

ir mutual interests.

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essage I want to leave you with is that our current problems, including those in the trade field, should be viewed in the perspective of other problems we have met and solved over the years. But above all, they must be dealt with in the perspective of our common goals. The problems are serious, but they may even be more complex

global in scope.

There are far-sighted, dynamic leaders in both of our countries who are addressing these challenges—challenges on the frontiers of scientific research in biomedicine, energy, seismology, geothermal physics, weather, and other sciences; in the enhancement of global stability and prosperity; in spreading and cultivating the growth of freedom and democracy throughout the world. The opportunities are almost unlimited. But in both our countries—since we are democracies—forward-looking policies

standing and support.

If Japan and the United States maintain and strengthen their partnership, as they should, the 1980s can be a period of great achievement. If we act wisely, and with foresight, we can assure our common prosperity, security, and freedom. Not every generation has such an opportunity. Not every generation has such a responsibility. I thank you for your willingness to participate in this endeavor. ■

a U.S.-Japan Relationship

ident Reagan
nese Diet
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mber 11, 1983

with great honor and respect that I am before you today, the first American President ever to address the Japanese Diet. I have been in your country only 2 days, but speaking for my wife, Nancy, and myself, may I say you have more than made us feel at home. The warmth of your welcome has touched our hearts. In welcoming us, you pay tribute to the more than 230 million Americans whom I have the privilege to represent. From all of us—all of them to you we reach out to say: The bonds of friendship that unite us are even greater than the differences which divide us. *Nichibei no yūho wa eien desu.* [Japanese-American friendship is forever.]

It was a dozen years ago on an autumn day like this one that I first visited Japan, and today, as then, I feel the same vigor, initiative, and industry surging through your country in a mightily courageous quest for progress. And just as before, I am struck by a unique gift of the Japanese people: You do not build your

future at the expense of the grace and beauty of your past.

Harmony is a treasured hallmark of Japanese civilization, and this has always been pleasing to Americans. Harmony requires differences to be joined in pursuit of higher ideals, many of which we share. When former President Ulysses S. Grant visited here in 1878, he discovered Japan is a land of enchantment.

During his stay, he met with the Emperor, and their discussion turned to democracy, the pressing issue of the day. President Grant observed that governments are always more stable and nations more prosperous when they truly represent their people.

I am proud to help carry forward the century-old tradition, meeting first with your Emperor on my arrival and now meeting with you a great milestone in your history: the 100th session of the Diet under the modern Japanese Constitution. In 6 years you will celebrate your 100th anniversary of representative government in Japan, just as we will celebrate the birth of our own Congress. I bring you the best wishes and heartfelt

greetings from your American counterparts, the Congress of the United States.

One cannot stand in this chamber without feeling a part of your proud history of nationhood and democracy, and the spirit of hope carrying the dreams of your free people. Of all the strengths we possess, of all the ties that bind us, I believe the greatest is our dedication to freedom. Japan and America stand at the forefront of the free nations and free economies in the world.

Yes, we are 5,000 miles apart; yes, we are distinctly different in customs, language, and tradition; and yes, we are often competitors in the world markets. But I believe the people represented by this proud parliament and by my own U.S. Congress are of one heart in their devotion to the principles of our free societies.

I'm talking about principles that begin with the sacred worth of human life; the cherished place of the family; the responsibility of parents and schools to be teachers of truth, tolerance, hard work, cooperation, and love; and the role of our major institutions—government, industry, and labor—to provide the opportunities and security—opportunities and security free people need to

Yukichi Fukuzawa, the great Meiji-era educator, said it for you: "Heaven has made no man higher or no man lower than any other man."

Our great American hero Abraham Lincoln put it in political perspective for us: "No man is good enough to govern another man without that other's consent." We both value the right to have a government of our own choosing. We expect government to serve the people; we do not expect the people to serve government.

America and Japan speak with different tongues, but both converse, workshop, and work with the language of freedom. We defend the right to voice our views, to speak words of dissent without being afraid, and to seek inner peace through communion with our God.

We believe in rewarding initiative, savings, and risk-taking. And we encourage those who set their sights on the farthest stars and chart new paths to progress through the winds and waters of commerce. Others censor and stifle their citizens. We trust in freedom to nurture the diversity and creativity that enriches us all. I like what your poet Basho said "Many kinds of plants and each one triumphant in its special blossoms."

Finally, our freedom inspires no fear because it poses no threat. We intimidate no one, and we will not be intimidated by anyone. The United States and Japan do not build walls to keep our people in. We do not have armies of secret police to keep them quiet. We do not throw dissidents into so-called mental hospitals. And we would never cold-bloodedly shoot a defenseless airliner out of the sky. We share your grief for that tragic and needless loss of innocent lives.

Our two countries are far from perfect. But in this imperfect and

Challenge of Partnership

I have come to Japan because we have an historic opportunity, indeed, an historic responsibility. We can become a powerful partnership for good, not just in our own countries, not just in the Pacific region but throughout the world. Distinguished ladies and gentlemen, my question is: Do we have the determination to meet the challenge of partnership and make it happen? My answer is without hesitation: Yes, we do, and yes, we will.

For much of our histories, our countries looked inward. Those times have passed. With our combined economies accounting for half the output of the free world, we cannot escape our global responsibilities. Our industries depend on the importation of energy and minerals from distant lands. Our prosperity requires a sound international financial system and free and open trading markets. And our security is inseparable from the security of our friends and neighbors.

The simple hope for world peace and prosperity will not be enough. Our two great nations, working with others, must preserve the values and freedoms our societies have struggled so hard to achieve. Nor should our partnership for peace, prosperity, and freedom be considered a quest for competing goals. We cannot prosper unless we are secure, and we cannot be secure unless we are free. And we will not succeed in any of these endeavors unless Japan and America work in harmony.

Arms Control

I have come to your country carrying the heartfelt desires of America for peace. I know our desires are shared by Prime Minister Nakasone and all of Japan. We are people of peace. We understand the terrible trauma of human suffering. I have lived through four wars in my lifetime. So, I speak not just as President of the United States,

weapons is to make sure they can't be used ever. I know I speak for people everywhere when I say our dream is to see the day when nuclear weapons will be banished from the face of the Earth.

Arms control must mean arms reductions. America is doing its part. As I pledged to the United Nations less than 2 months ago, the United States will accept any equitable, verifiable agreement that stabilizes forces at lower levels than currently exist. We want significant reductions, and we're willing to compromise.

In the strategic arms reduction talks (START), American negotiators continue to press the Soviet Union for any formula that will achieve these objectives. In the longer range INF talks, we are pursuing the same course, even offering to eliminate an entire category of weapons. I'm very conscious of our negotiating responsibility on issues that concern the safety and well-being of the Japanese people. And let me make one thing very plain. We must not and we will not accept any agreement that transfers the threat of longer range nuclear missiles from Europe to Asia.

Our great frustration has been the other side's unwillingness to negotiate in good faith. We wanted to cut deep into nuclear arsenals, and still do. But they're blocking the dramatic reductions the world wants. In our good-faith effort to move the negotiations forward, we have offered new initiatives, provided for substantial reductions to equal level and the lower the level the better. But we shall wait. We still wait for the first positive response.

Despite this bleak picture, I will not be deterred in my search for a breakthrough. The United States will never walk away from the negotiating table. Peace is too important. Common

we will persevere.

We live in uncertain times. There are trials and tests for freedom wherever freedom stands. It is as stark as the tragedy over the Sea of Japan, when 269 innocent people were killed for the so-called cause of sacred airspace. It is as real as the terrorist attacks last month on the Republic of Korea's leadership in Rangoon and against American and French members of the international peacekeeping force in Beirut. And yes, it is as telling as the stonewalling of our adversaries at the negotiating table, and as their crude attempts to intimidate freedom-loving people everywhere.

These threats to peace and freedom underscore the importance of closer cooperation among all nations. You have an old proverb that says, "A single arrow is easily broken, but not three in a bunch." The stronger the dedication of Japan, the United States, and our allies to peace through strength, the greater our contributions to building a more secure future will be. The U.S.-Japan Treaty of Mutual Cooperation and Security must continue to serve us as the bedrock of our security relationship. Japan will not have to bear the burden of defending freedom alone. America is your partner. We will bear that burden together.

The defense of freedom should be a shared burden. We can afford to defend freedom; we cannot afford to lose it. The blessings of your economic miracle, created with the genius of a talented, determined, and dynamic people, can only be protected in the safe harbor of freedom.

Economic Growth

In his book, "In Quest of Peace and Freedom," former Prime Minister Sato wrote: "in the hundred years since the Meiji Restoration, Japan has constantly endeavored to catch up and eventually overtake the more advanced countries of the world." I don't think I'll be making headlines when I say, you've not only

ahead. [Laughter] Here again, our partnership is crucial. But this time, you can be teachers.

To all those who lack faith in the human spirit, I have just three words of advice: Come to Japan. Come to a country whose economic production will soon surpass the Soviet Union's, making Japan's economy the second largest in the entire world. Come to learn from a culture that instills in its people a strong spirit of cooperation, discipline, and striving for excellence; and yes, learn from government policies which helped create this economic miracle—not so much by central planning, as by stimulating competition, encouraging initiative, and rewarding savings and risk-taking.

Our country has made great strides in this direction during the last 3 years. We're correcting past mistakes. Hope is being reborn. Confidence is returning. America's future looks bright again. We have turned the corner from overtaking, overspending, record interest rates, high inflation, and low growth. The United States is beginning the first stage of a new industrial renaissance, and we're helping pull other nations forward to worldwide recovery.

But some in my country still flinch from the need to restrain spending. Under the guise of lowering deficits, they would turn back to policies of higher taxes. They would ignore the lesson of Japan. A look at Japan's postwar history yields two stunning conclusions. Among the major industrialized countries, your tax burden has remained the lowest and your growth and saving rates the highest. Savers in Japan can exempt very large amounts of interest income from taxation. Your taxes on so-called unearned income—[laughter]—are low. You have no capital gains tax on securities for investors. And the overwhelming majority of your working people face tax rates dramatically lower than in the other industrial countries, including my own. And incentives for everyone—that's the secret of strong growth for a shining future filled with hope, and opportunities and incentives for growth, not tax increases—is our policy for America.

ther your friendship by my sending our Congress here and you coming over and occupying our Capitol building for a while.

Partnership must be a two-way street grounded in mutual trust. Let us always be willing to learn from each other and cooperate together. We have every reason to do so. Our combined economies account for almost 35% of the world's entire economic output. We are the world's two largest overseas trading partners. Last year Japan took about 10% of our total exports, and we bought some 25% of yours. Our two-way trade will exceed \$60 billion in 1983, more than double the level of just 7 years ago.

At the Williamsburg summit last May, the leaders of our industrial democracies pledged to cooperate in rolling back protectionism. My personal commitment to that goal is based on economic principles, old-fashioned common sense, and experience. I am old enough to remember what eventually happened the last time countries protected their markets from competition: It was a nightmare called the Great Depression. And it was worldwide. World trade fell at that time by 60%. And everyone, workers, farmers, and manufacturers, were hurt.

Let us have the wisdom never to repeat that policy. We're in the same boat with our trading partners around the globe. And if one partner in the boat shoots a hole in the boat, it doesn't make much sense for the other partner to shoot another hole in the boat. Some say, yes, and call that getting tough. Well, forgive me, but I call it getting wet all over. Rather than shoot holes, let us work together to plug them up so our boat of free markets and free trade and fair trade can lead us all to greater economic growth and international stability.

I have vigorously opposed quick fixes of protectionism in America. Anti-competitive legislation like the local content rule, which would force our

domestic manufacturers of cars to use a rising share of U.S. labor and parts—now, this would be a cruel hoax. It would be raising prices without protecting jobs. We would buy less from you. You would buy less from us. The world's economic pie would shrink. Retaliation and recrimination would increase.

It is not easy for elected officials to balance the concerns of constituents with the greater interests of the nation, but that's what our jobs are all about. And we need your help in demonstrating free trade to address concerns of my own people. Americans believe your markets are less open than ours. We need your support to lower further the barriers that still make it difficult for some American products to enter your markets easily. Your government's recent series of actions to reduce trade barriers are positive steps in this direction. We very much hope this process will continue and accelerate. In turn, I pledge my support to combat protectionist measures in my own country.

If we each give a little, we can all gain a lot. As two great and mature democracies, let us have the faith to believe in each other, to draw on our long and good friendship, and to make our partnership grow. We are leaders in the world economy. We and the other industrialized countries share a responsibility to open up capital and trading markets, promote greater investment in each other's country, assist developing nations, and stop the leakage of military technology to an adversary bent on aggression and domination.

We believe that the currency of the world's second largest free market economy should reflect the economic strength and political stability that you enjoy. We look forward to the yen playing a greater role in international financial and economic affairs. We welcome the recent trend toward a stronger yen. And we would welcome Japan's increasingly active role in global affairs. Your leadership in aid to refugees and in economic assistance to various countries has been most important in helping to promote greater stability in key regions

of the world. Your cooperation in trade reduction initiatives is highly valued by us.

We may have periodic disputes, but the real quarrel is not between us. It is with those who would impose regimentation over freedom, drudgery over dynamic initiative, a future of despair over the certainty of betterment, and the forced feeding of a military Goliath over a personal stake in the products and progress of tomorrow.

You and your neighbors are shining examples for all who seek rapid development. The Pacific Basin represents the most exciting region of economic growth in the world today. Your people stretch your abilities to the limit, and when an entire nation does this, miracles occur. Being a Californian I have seen many miracles hardworking Japanese have brought to our shores.

In 1865 a young Samurai student, Kanaye Nagasawa, left Japan to learn what made the West economically strong and technologically advanced. Ten years later he founded a small winery at Santa Rosa, California, called the Fountaingrove Round Barn and Winery. Soon he became known as the grape king of California. Nagasawa came to California to learn and stayed to enrich our lives. Both our countries owe much to this Japanese warrior-turned businessman.

As the years pass, our contacts continue to increase at an astounding rate. Today some 13,000 of your best college and graduate students are studying in America, and increasing numbers of U.S. citizens are coming here to learn everything they can about Japan. Companies like Nissan, Kyocera, Sony, and Toshiba have brought thousands of jobs to America's shores. The State of California is planning to build a rapid speed train that is adapted from your

technology. Your cooperation in trade reduction initiatives is highly valued by the United States. We will join Japan in a major exhibition of science and technology at Tsukuba, another symbol of our cooperation.

For my part, I welcome this new Pacific tide. Let it roll peacefully on, carrying a two-way flow of people and ideas that can break from barriers of suspicion and mistrust and build up bonds of cooperation and shared optimism.

Conclusion

Our two nations may spring from separate pasts; we may live at opposite sides of the Earth; but we have been brought together by our indomitable spirit of determination, our love of liberty, and devotion to progress. We are like climbers who begin their ascent from opposite ends of the mountain. The harder we try, the higher we climb, and the closer we come together—until that moment we reach the peak and we are as one.

It happened just last month. One American and two Japanese groups began climbing Mt. Everest—the Japanese from the side of Nepal and the Americans from the side of Tibet. The conditions were so difficult and dangerous that before it ended two Japanese climbers tragically lost their lives. But before that tragedy, those brave climbers all met and shook hands just under the summit. And then, together, they climbed to the top to share that magnificent moment of triumph.

Good and dear friends of Japan, if those mountaineers could join hands at the top of the world, imagine how high our combined 350 million citizens can climb, if all of us work together as powerful partners for the cause of good. Together there is nothing that Japan and America cannot do. ■

United States and Korea

President Reagan
American National
Assembly
November 12, 1983

privileged to be among such friends.
and in your Assembly as Presidents
Eisenhower and Johnson have stood
before me. And I reaffirm, as they did,
America's support and friendship for the
people of Korea and its people.
Not long after the war on this peninsula
your President paid a visit to
Washington. In his remarks at the state
dinner, President Eisenhower spoke of
Korean people's courage, stamina,
self-sacrifice. He spoke of America's
in joining with the Korean people
to prevent their enslavement by the
Soviet Union. In response, your first President
expressed his country's deep, deep ap-
preciation for what America had done.
He included by saying, "I tell you, my
friends, if I live hundreds of years, we
will never be able to do enough to pay
our debt of gratitude to you."

We have come today to tell the people
of this great nation: Your debt has long
been repaid. Your loyalty, your friend-
ship, your progress, your determination
to do something better for your people
has proven many times over the
value of your gratitude. In these days of
trial and testing, the American people
are very thankful for such a constant
devoted ally. Today, America is
grateful to you.

And we have long been friends.
Over a hundred years ago when
American ships first approached Korea,
the people knew almost nothing of each
other. Yet, the first words from the
King of Chosun to the emissaries
from America were words of welcome
and peace. I would like to read part of
the greeting to the Americans, because
so much of the Korean people's
history is in that greeting.

"What country are you? . . . are
you well after your journey of 10,000 leagues
through winds and waves? Is it your
purpose to barter merchandise . . . or do you
wish to pass by to other places
to return to your native land? All
heaven and earth are watching you."



President Reagan views North Korean positions from the Guard Post Observation Deck at the demilitarized zone, November 13, 1983.

The journey from America is now
swift. The winds and waves no longer
endanger our way. But the rules of con-
duct which assist travelers are the same
today as they were over a century ago,
or even in ancient times. The weary are
restored, the sick healed, the lost
sheltered and returned safely to their
way. This is so on all continents among
civilized nations.

Our world is sadder today, because
these ancient and honorable practices
could not protect the lives of some re-
cent travelers. Instead of offering
assistance to a lost civilian airliner, the
Soviet Union attacked. Instead of offer-
ing condolences, it issued denials. In-
stead of offering reassurances, it
repeated its threats. Even in the search
for our dead, the Soviet Union barred
the way. This behavior chilled the entire
world. The people of Korea and the
United States shared a special grief and
anger.

My nation's prayers went out to the
Korean families who lost loved ones
even as we prayed for our own. May I
ask you today to pause for a moment of
silence for those who perished. Please

Growth of the Korean Economy

In recent weeks, our grief deepened.
The despicable North Korean attack in
Rangoon deprived us of trusted advisers
and friends. So many of those who died
had won admirers in America as they
studied with us or guided us with their
counsel. I personally recall the wisdom
and composure of Foreign Minister Lee,
with whom I met in Washington just a
few short months ago. To the families
and countrymen of all those who were
lost, America expresses its deep sorrow.

We also pledge to work with your
government and others in the interna-
tional community to censure North
Korea for its uncivilized behavior. Let
every aggressor hear our words, because
Americans and Koreans speak with one
voice. People who are free will not be
slaves, and freedom will not be lost in
the Republic of Korea.

We in the United States have suf-
fered a similar savage act of terrorism
in recent weeks. Our marines in
Lebanon were murdered by madmen
who cannot comprehend words like
"reason" or "decency." They seek to

I know citizens of both our countries as well as those of other nations do not understand the meaning of such tragedies. They wonder why there must be such hate. Of course, regrettably there is no easy answer. We can place greater value on our true friends and allies. We can stand more firmly by those principles that give us strength and guide us, and we can remember that some attack us because we symbolize what they do not: hope, promise, the future. Nothing exemplifies this better than the progress of Korea. Korea is proof that people's lives can be better. And I want my presence today to draw attention to a great contrast. I'm talking about the contrast between your economic miracle in the South and their economic failure in the North.

In the early years following World War II, the future of Korea and of all Asia was very much in doubt. Against the hopes of Korea and other new nations for prosperity and freedom stood the legacies of war, poverty, and colonial rule. In the background of this struggle, the great ideological issues of our era were heard: Would the future of the region be democratic or totalitarian? Communism, at that time, seemed to offer rapid industrialization. The notion that the people of the region should govern their own lives seemed to some an impractical and undue luxury. But Americans and the people of Korea shared a different vision of the future.

Then North Korea burst across the border, intent on destroying this country. We were a world weary of war, but we did not hesitate. The United States as well as other nations of the world came to your aid against the aggression, and tens of thousands of Americans gave their lives in defense of freedom.

As heavy as this price was, the Korean people paid an even heavier one. Civilian deaths mounted to the hundreds of thousands. President Johnson said before this very Assembly "Who will ever know how many children starved? How many refugees lie in unmarked

graves?" hardly a Korean family did not lose a loved one in the assault from the North."

In 1951, in the midst of the war, General Douglas MacArthur addressed a Joint Session of our Congress. He spoke of you, saying, "The magnificence of the courage and fortitude of the Korean people defies description." As he spoke those words, our Congress interrupted him with applause for you and your people.

After the war, Koreans displayed that same fortitude. Korea faced every conceivable difficulty. Cities were in ruins; millions were homeless and without jobs; factories were idle or destroyed; hunger was widespread; the transportation system was dismembered; and the economy was devastated as a result of all these plagues. And what did the Korean people do? You rebuilt your lives, your families, your homes, your towns, your businesses, your country. And today the world speaks of the Korean economic miracle.

The progress of the Korean economy is virtually without precedent. With few natural resources other than the intelligence and energy of your people, in one generation you have transformed this country from the devastation of war to the threshold of full development.

Per capita income has risen from about \$80 in 1961 to more than 20 times—\$1,700 today. Korea has become an industrial power, a major trading nation, and an economic model for developing nations throughout the world. And you have earned the growing respect of the international community. This is recognized in your expanding role as host to numerous international events, including the 1986 Asian games and the 1988 Olympics.

Now as the years have passed, we know our vision was the proper one. North Korea is one of the most repressive societies on Earth. It does not prosper; it arms. The rapid progress of your economy and the stagnation of the North has demonstrated perhaps more clearly here than anywhere else the value of a free economic system. Let the world look long and hard at both

"Which side enjoys a better life?" The other side claims to be the victor of the future. If that's true, why do we need barriers, troops, and bullets to keep their people in? The tide of history is a freedom tide, and communism will not and will not hold it back.

The United States knows what you've accomplished here. In the 10 years following the war, America provided almost \$5½ billion in economic aid. Today that amounts to less than 1 month's trade between us. That trade is virtually in balance. We are at one of Korea's largest market and largest source of supplies. We're a leading source of the investment and technology needed to fuel further development. Korea is our ninth largest trading partner, and our trade is growing.

Korea's rapid development has come greatly from the free flow of trade, which characterized the 1960s and 1970s. Today, in many countries, protectionism is raised. I ask you to join with the United States in resisting those projectionist pressures that would ensure that the growth you've enjoyed is not endangered by a maze of restrictive practices.

And just as we work together toward prosperity, we work toward security. Let me make one thing plain. You are not alone, people of Korea. America is your friend, and we are with you.

U.S. Commitment to Security Assistance

This year marks the 30th anniversary of the mutual defense treaty between the United States and the Republic of Korea. The preamble to that treaty affirms the determination of our two countries to oppose aggression and to strengthen peace in the Pacific. It reaffirms our main firm commitment to that peace. We seek peace on the peninsula, and that is why U.S. soldiers serve alongside with Korean soldiers along the demilitarized zone. They symbolize our U.S. commitment to your security and the security of the region. The

as we stand with our allies in Europe and around the world.

In Korea, especially, we have learned the painful consequences of weakness. I am fully aware of the threats you face only a few miles from here. North Korea is waging a campaign of intimidation. Their country is on a war footing, with some 50 divisions and brigades and 750 combat aircraft. The North has dug tunnels under the demilitarized zone in their preparations for war. They are perched and primed for conflict. They attacked you in Rangoon, and yet, in spite of such constant threats from the North, you have progressed.

Our most heartfelt wish is that one day the vigil will no longer be needed. America shares your belief that confrontation between North and South is not inevitable. Even as we stand with you to resist aggression from the North, we will work with you to strengthen the peace on the peninsula.

Korea today remains the most firmly divided of the states whose division stemmed from World War II. Austrian unity was reestablished peacefully 10 years after the war. Germany remains divided, but some of the pain of that division has been eased by the inner-German agreement of a decade ago. I know the Korean people also long for reconciliation. We believe that it must be for the people of this peninsula to work toward that reconciliation, and we applaud the efforts you've made to begin a dialog. For our part, we would, as we've often stressed, be willing to participate in discussions with North Korea in any forum in which the Republic of Korea was equally represented. The essential way forward is through direct discussions between South and North.

Americans have watched with a mixture of sadness and joy your campaign to reunite families separated by war. We have followed the stories of sisters torn

death; of small children swept away in the tides of war; of people who have grown old not knowing whether their families live or have perished.

I've heard about the program that uses television to reunite families that have been torn apart. Today, I urge North Korea: It is time to participate in this TV reunification program and to allow your people to appear. I would say to them, whatever your political differences with the South, what harm can be done by letting the innocent families from North and South know of their loved ones' health and welfare? Full reunification of families and peoples is a most basic human right.

Until the day arrives, the United States, like the Republic of Korea, accepts the existing reality of two Korean States and supports steps leading to improved relations among those states and their allies.

We have also joined with you over the past 2 years in proposing measures which, if accepted, would reduce the risk of miscalculation and the likelihood of violence on the peninsula. The proposals we have made, such as mutual notification and observation of military exercises, are similar to ones negotiated in Europe and observed by NATO and the Warsaw Pact. These proposals are not intended to address fundamental political issues, but simply to make this heavily armed peninsula a safer place. For we must not forget that on the peninsula today there are several times more men under arms and vastly more firepower than in June of 1950. We will continue to support efforts to reduce tensions and the risks of war.

I have spoken of the need for vigilance and strength to deter aggression and preserve peace and economic progress, but there is another source of strength, and it is well represented in this assembly. The development of democratic political institutions is the surest means to build the national consensus that is the foundation of true security.

difficult political development is when, even as we speak, a shell from the North could destroy this Assembly. My nation realizes the complexities of keeping a peace so that the economic miracle can continue to increase the standard of living of your people. The United States welcomes the goals that you have set for political development and increased respect for human rights for democratic practices. We welcome President Chun's farsighted plans for a constitutional transfer of power in 1988. Other measures for further development of Korean political life will be equally important and will have our warm support.

Now, this will not be a simple process because of the ever-present threat from the North. But I wish to assure you once again of America's unwavering support and the high regard of democratic peoples everywhere as you take the bold and necessary steps toward political development.

Over 100 years ago you asked earlier American travelers to make their wishes known. I come today to you with our answer: Our wish is for peace and prosperity and freedom for an old and valued ally.

In Washington several weeks ago, a memorial service was held for those who had perished on Flight 007. During that service, a prayer was read. I would like to read you that prayer, because it is a prayer for all mankind.

"O God . . .

Look with compassion on the whole human family;

Take away the arrogance and hatred which infect our hearts;

Break down the walls that separate us;

Unite us in bonds of love;

And work through our struggle and confusion to accomplish your purpose on earth;

That, in your good time, all the nations and races may serve you in harmony . . ."

That, too, is our wish and prayer.

Onyonghi Keshipshiyo. [Stay in peace.] ■

**President Reagan
Chinese Community
Leaders
Beijing
April 27, 1984**

I'm honored to come before you today, the first American President ever to address your nation from the Great Hall of the People.

My wife Nancy and I have looked forward to visiting the people and treasures of your great and historic land, one of the world's oldest civilizations. We have marveled at Beijing's sweeping vistas, and we have felt the warmth of your hospitality touch our hearts. We only regret that our visit will be so brief. I'm afraid it will be as a Tang Dynasty poet once wrote: "looking at the flowers while riding horseback." But you have another saying from the book of Han which describes how Nancy and I feel: "To see a thing once is better than hearing about it a hundred times."

Twelve years ago former President Nixon arrived in Beijing, stepped down from Air Force One, and shook hands with former Premier Zhou Enlai. Premier Zhou would later tell him: "Your handshake came over the vastest ocean in the world—25 years of no communication." With one handshake, America and China each turned a new page in their histories.

I believe that history beckons again. We have begun to write a new chapter for peace and progress in our histories, with America and China going forward hand in hand—*xieshou bingjin*.

We must always be realistic about our relationship, frankly acknowledging the fundamental differences in ideology and institutions between our two societies. Yes, let us acknowledge those differences. Let us never minimize them. But let us not be dominated by them.

I have not come to China to hold forth on what divides us, but to build on what binds us. I have not come to dwell on a closed-door past, but to urge that Americans and Chinese look to the future, because together we can and will make tomorrow a better day.

When Premier Zhao was in the United States, he told us: "China has opened its door and will never close it again." Permit me to assure you today, America's door is open to you; and when you walk through, we'll welcome you as our neighbors and our friends.

We may live at nearly opposite ends of the world. We may be distinctly different in language, customs, and political beliefs. But on many vital questions of our time, there is little difference between the American and Chinese people. Indeed, I believe if we were to ask citizens all over this world what they desire most for their children and for their children's children, their answer, in English, Chinese, or any language, would likely be the same: we want peace; we want freedom; we want a better life. Their dreams, so simply stated, represent mankind's deepest aspirations for security and personal fulfillment. And helping them make their dreams come true is what our jobs are all about.

We can work together as equals in a spirit of mutual respect and mutual benefit. I believe in Chinese you say *Hu jing hu hui*.

Well, America and China are both great nations. And we have a special responsibility to preserve world peace.

To help fulfill that responsibility, the United States is rebuilding its defenses, which had been neglected for more than a decade. Our people realize this effort is crucial if we're to deter aggression against America, our allies, and other friends. But we threaten no nation. America's troops are not massed on China's borders. And we occupy no lands. The only foreign land we occupy anywhere in the world is beneath gravesites where Americans shed their blood for peace and freedom. Nor do we commit wanton acts, such as shooting 269 innocent people out of the sky for the so-called cause of sacred airspace.

America and China both condemn military expansionism, the brutal occupation of Afghanistan, the crushing of Kampuchea; and we share a stake in preserving peace on the Korean Peninsula.

I think our two peoples agree there can be only one sane policy to preserve our precious civilization in this modern nuclear age: a nuclear war cannot be won and must never be fought. And that's why we've proposed to the Soviet Union meaningful negotiations that go beyond rhetoric to actual arms reductions and why we must all work for the day when nuclear weapons will be banished from the face of the earth.

America's interest in China, a friendship for your people, and our respect for China's many contributions to the progress of civilization date back to the beginning of our own history. I might be interested to know that your dinner settings used by our first Presidents—George Washington, Adams, and Thomas Jefferson—were of Chinese origin, evidence of our Fathers' attraction for your country's artistic standards.

Back in 1784, when the first American trading ship, the *Empress of China*, entered your waters, my country was unknown to you. We were a new nation eager to win a place in international commerce. A slightly homesick American sailor recorded that first day in a home.

"My dear father," he wrote, "you receive this letter, it will acquaint you, that after a passage of 6 months and 7 days we came to anchor at Wamoi. The Chinese had never heard of us, we introduced ourselves as a new nation, gave them our history with a description of our country, the importance and necessity of a trade here to the advantage of both, which they appear perfectly understand and wish."

Well, since those early days, many countries have both profited from the free exchange of people, goods, and ideas. Chinese settlers helped tame our continent during the 19th century. Today their families, descendants join our Americans in cooperating with you to build a new prosperity in China.

The American Heritage

How did America, which began as a impoverished country and a melting pot, attracting immigrants from every corner of the globe, pull together and become the leading economic nation in the world? How did we go in so short a time from living by candlelight to exploring the frontiers of the universe by satellite, from each farmer laboring with horse and plow for an entire year just to feed his family to running his farm with the most modern machinery and producing enough food for 75 people, making America the breadbasket of the world?

Well, we're people who've always believed the heritage of our past is the seed that brings forth the harvest.

draw tremendous power from two great forces—faith and freedom. America was founded by people who sought freedom to worship God and to trust in Him to guide them in their daily lives with wisdom, strength, goodness, and compassion.

Our passion for freedom led to the American Revolution, the first great uprising for human rights and independence against colonial rule. We knew each of us could not enjoy liberty for ourselves unless we were willing to share it with everyone else. And we knew our freedom could not truly be safe unless all of us were protected by a body of laws that treated us equally.

George Washington told us we would be bound together in a sacred brotherhood of free men. Abraham Lincoln defined the heart of American democracy when he said, "No man is good enough to govern another man without that other's consent..." These great principles have nourished the soul of America, and they have been enriched by values such as the dignity of work, the friendship of neighbors, and the warmth of family. Like China, our people see the future in the eyes of our children. And like China, we revere our elders. To be as good as our fathers and mothers, we must be better.

The Key to Dynamic Development

"Trust the people"—these three words are not only the heart and soul of American history, but the most powerful force for human progress in the world today. Those who ignore this vital truth will condemn their countries to fall farther and farther behind in the world's competition for economic leadership in the 1980s and beyond, because look around us, the societies that have made the most spectacular progress in the shortest period of time are not the most rigidly organized nor even the richest in natural resources. No, it's where people have been allowed to create, compete, and build, where they've been permitted to think for themselves, make economic decisions, and benefit from their own risks that societies have become the most prosperous, progressive, dynamic, and free. Nothing could be more basic to the spirit of progress for a farmer, laborer, or merchant than economic reward for legitimate risk and honest toil.

A little over a century ago, Ulysses S. Grant, who was then a former President, visited your country and saw China's

Grant wrote, "the beginning of a change. When it does come, China will rapidly become a powerful and rich nation. . . . The population is industrious, frugal, intelligent, and quick to learn."

Well, today, China's economy crackles with the dynamics of change: expansion of individual incentives for farmers in your new responsibility system; new bonuses for workers and more disciplined management in terms of profits and losses; improved methods of market distribution; opening your economy to the world through China's membership in the International Monetary Fund, the World Bank, and through your invitation to trade and invest, especially in your four special economic zones; and your commitment to attract capital and scientific knowledge to create a high technology base for the future. All this reflects China's new role in the international economic community and your determination to modernize your economy and raise the standard of living of your people.

Unlike some governments which fear change and fear the future, China is beginning to reach out toward new horizons, and we salute your courage.

Progress, Premier Zhao has told us, "lies in our efforts to emancipate our thinking in a bold way—to carry out reform with determination, to make new inventions with courage, and to break with the economic molds and conventions of all descriptions which fetter the development of the productive force." Well, we Americans have always considered ourselves pioneers, so we appreciate such vitality and optimism.

Today, I bring you a message from my countrymen. As China moves forward in this new path, America welcomes the opportunity to walk by your side.

Incidentally, I know Premier Zhao has demonstrated mastery of his subject. When he was directing agricultural policies in Sichuan, the peasants went from food shortages and forced imports to bumper harvests and rising exports. In fact, I'm told that because of the work he did, it is said in Sichuan Province, "If you want rice, go see Zhao."

Well, China's growth is in China's hands. You will choose your own path to development. But we're not surprised to see the fresh breezes of incentives and innovation sweeping positive changes across China. And behind the statistics of economic growth are reports of personal success stories pointing to a new spirit of progress. Chairman Deng has said

technology points to more opportunity for all. President John Kennedy often used a metaphor to describe such progress: "A rising tide lifts all boats."

In the United States, as I mentioned earlier, we've always believed deeply that incentives are key and that free people build free markets that ignite dynamic development for everyone. For a time, America's government had drifted away from this key principle, and our economic growth suffered.

When we took office in January 1981, we said to the people: "Let us make a new beginning. From now on, if you work harder and earn more than before, your reward will be greater than it was. We're putting America's future in your hands. You can spark the spirit of enterprise. You can get America moving again." And they have.

In 3 short years, the American people have revived a dynamic growth economy bolstered by incentives of lower tax rates, stable prices, reduced interest rates, a rebirth of productivity, and restored currency—or confidence in our currency.

Hope is high. Confidence is strong. America's future looks bright again. With a strong technological base pioneering sunrise industries and modernizing older ones, the United States is beginning an economic renaissance and helping pull other nations toward worldwide recovery.

U.S.-China Cooperation

I see America and our Pacific neighbors going forward in a mighty enterprise to build strong economies and a safer world.

The United States and China have a historic opportunity. We can expand our economic and scientific cooperation, strengthen the ties between our peoples, and take an important step toward peace and a better life. And there is much we can share.

We think progress in four areas is particularly promising: trade, technology, investment, and exchanges of scientific and managerial expertise.

In a few short years, two-way trade has risen sharply. The United States is now China's third largest trading partner. Our bilateral trade shows great promise for the future, particularly in areas such as machinery, technology, oil

equipment, petroleum, agricultural and manufacturing products.

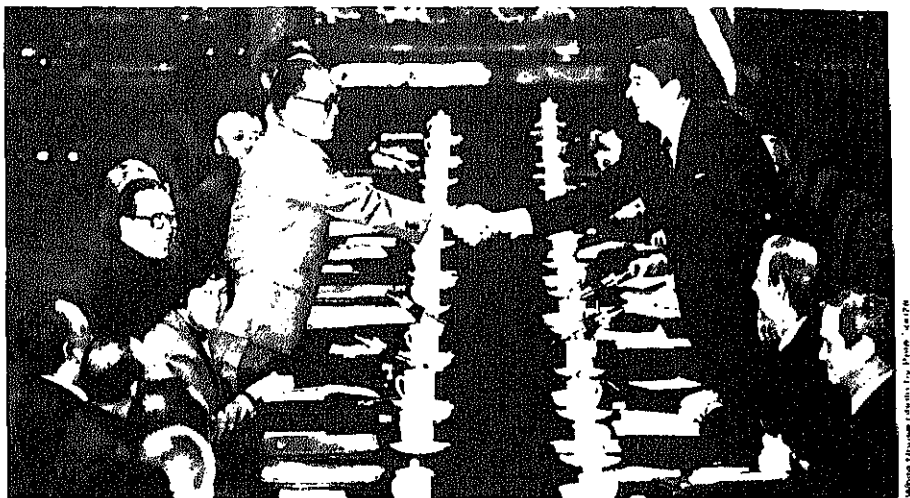
Last June, I instructed our government to liberalize controls over the export to China of high-technology products, such as computers and laboratory instruments. Our policies on technology transfer will continue to evolve along with our overall relationship and the development of broader cooperation between us. May I emphasize to the members of the scientific community here today: the relaxing of export controls reflects my determination that China be treated as a friendly, nonallied nation and that the United States be fully prepared to cooperate in your modernization.

During Premier Zhao's visit to our country, we took another step forward, signing the United States-China Industrial and Technological Cooperation Accord. Our Joint Commission on Commerce and Trade will discuss implementation of the accord during their next meeting in Washington in May. We will focus our efforts on the sectors to which China has attached greatest priority. Our trade and development program will facilitate our progress.

Expanding cooperative ventures is another area of promising growth: American firms have invested almost \$700 million in joint ventures and offshore oil exploration in China, making the United States your largest foreign investor. We welcome your determination to improve conditions for foreign business in China. Streamlining bureaucratic procedures, establishing a more predictable system for investment through domestic legislation and international agreements, reforming prices to make them internationally competitive, and providing foreign business people with the offices, housing, and schools they and their families need to work effectively, will stimulate more American investment.

For your part, some 50 Chinese firms have established offices or branches in the United States, and China has invested in several joint ventures in our country.

We intend to strengthen these trends. When Treasury Secretary Regan was here last month for the meeting of the Joint Economic Committee, he concluded a bilateral tax agreement. Monday, our two countries will sign this agreement which, I'm pleased to report, will increase incentives for even closer cooperation be-



President Reagan and Premier Zhao in the Great Hall of the People, Beijing, April 30, 1984.

I am particularly proud that the United States and China have reached agreement on cooperation in the peaceful uses of atomic energy. As many of you know, the negotiations between our two countries go back almost to the beginning of my administration. We have held a total of six sessions in Washington and Beijing. We made great progress during Premier Zhao's visit, and our negotiations have just now concluded successfully. The result: an agreement for cooperation in peaceful uses of nuclear energy.

I understand that several of the people here made major contributions to this effort, which meets the requirements of both sides. Once approval is complete, it will open broad opportunities for joint work in development of the energy base which China needs for its modernization. Scientists, engineers, business leaders, and officials of both countries interested in peaceful nuclear energy will welcome this agreement. China has one of the world's most ambitious programs for expansion of electric power generation, and I believe that America's energy technology—not just in nuclear energy but across the board—is second to none, and perhaps most suitable for China's varied needs.

Our agreement is founded on important nonproliferation standards. We have noticed recent statements of China's nonproliferation policies, particularly those by Premier Zhao in Washington and Beijing over the past several months. Premier Zhao and I have discussed these

device. Our cooperation in the peaceful uses of nuclear energy will be based on shared principles of nonproliferation.

There is also great potential in our joint efforts to increase managerial and scientific expertise. I know that many of you have heard through the Chinese press about the good work of the 9-month Dalian program of management training for industry, science, and technology. More than 750 graduates have received training in modern methods of industrial management. And I'm told some of you are graduates of that program. Well, I'm delighted to announce that we have agreed to establish a special new program there offering a full 3-year master's degree in business administration. The degree will be awarded by the State University of New York. We're to share with you the knowledge that is America's key technology—management and science skills to develop a nation.

Under our Joint Commission on Science and Technology, we have a very productive agreement with exchange programs in 21 specific areas. We're sharing the benefits of research in medicine, energy, and other technical fields. Our scientists are learning a great deal from each other in public health, agricultural sciences, and many other areas.

Men and women of vision already see that working in the zero gravity environment of space offers dazzling opportunities to improve life on earth. Experiments done on our space shuttle have

We also look forward to being able to manufacture large crystals of exceptional purity in space. These crystals are the basis of the semiconductor chips which run modern computers. By manufacturing them in zero gravity, we can make new strides toward producing larger, faster computers—the so-called supercomputers—and ultimately reduce the cost of computer manufacturing. We look forward to exploring with China the possibilities of cooperating in the development of space on behalf of all our fellow citizens.

In the humanities and social sciences, hundreds of American and Chinese scholars have visited each others' countries to teach and study subjects ranging from law and economics to poetry and history. For our part, we welcome this new Pacific tide. Let it roll peacefully on, carrying a two-way flow of people and ideas that can break down barriers of suspicion and mistrust, and build up bonds of cooperation and shared optimism.

The future is ours to build. Surmounting the risks and the fears of some may be difficult, but I'm convinced the challenge is worth it. The greatest victories come when people dare to be great, when they summon their spirits to brave the unknown and go forward together to reach a greater good.

So often, we see individual actions of courage and love in everyday life that give us faith to believe in ourselves and hope for a better future. In 1981, a bright, young American student, John Zeidman, came here to study China and to seek new friends. He was a boy of great heart and enthusiasm, and riding his bicycle on Beijing's streets, conversing and camping with artists and students, he fell in love with your country. Tragically, he was struck ill on his 20th birthday and later died. But his tragedy brought forth new life.

John's family and friends have established a Chinese studies program at the Sidwell Friends School in Washington. Hundreds have contributed, and the program now attracts young people from public and private schools and serves as a model for other schools all across America. Earlier this year, Premier Zhao

visited the school. This summer the entire class will come to China as his guests to meet their student contemporaries.

From the great grief of one boy's death came a seed. And from that seed has grown a tree of understanding—a tree that now blossoms with the beauty of

friendship and cooperation. If our people could go forward in this same spirit, planting not one tree, but millions, and then tending each so it may grow sturdy and tall—then the dream of a single youth might grow into the golden dreams of all mankind. ■

The U.S. and China: Building a Lasting Friendship

**President Reagan
Fudan University
Shanghai
April 30, 1984**

We've been in your country only 5 days, but already we've seen the wonders of a lifetime—the Great Wall of China, a structure so huge and marvelous that it can be seen from space; the ancient city of Xi'an and the Tomb of the Great Emperor and the buried army that guards him still. These are the wonders of ages past. But today, I want to talk to you, the young people of a great university, about the future—about our future together and how we can transform human life on this planet if we bring as much wisdom and curiosity to each other as we bring to our scholarly pursuits.

I want to begin, though, with some greetings. I bring you greetings not only from my countrymen but from one of your countrymen. Some of you know Ye Yang, who was a student here. He graduated from Fudan and became a teacher of English at this university. Now he is at Harvard University in the United States, where he is studying for a doctorate in comparative literature.

My staff spoke to him before we left. Mr. Ye wants you to know he's doing fine. He's working hard on his spring term papers, and his thoughts turn to you often. He asked me to deliver a message to his former students, colleagues, friends, and family. He asked me to say for him, and I hope I can, "*Wo xiang nian da jia.*"

He wants you to know that he looks forward to returning to Fudan to teach.

And President Xie, he said to tell you he misses your friendship and encouragement. And Mr. Ye says you are a very great woman and a great educator. You will be proud to know that he received straight A's last term. And when we congratulated him, he said: "I have nothing to be proud of myself; I am so proud of my university."

I'd like to say a few words about our China-U.S. educational exchange programs. It's not entirely new, this exchanging of students. Your President Xie earned a degree from Smith College in the United States. Smith is also my wife Nancy's alma mater. And President Xie also attended M.I.T., Massachusetts Institute of Technology, one of our greatest universities of science, engineering, and technology.

But in the past few years, our two countries have enjoyed an explosion in the number of student exchanges. Five years ago you numbered your students studying abroad in the hundreds. Since then, 20,000 Chinese scholars have studied throughout the world, and more than half of them have come to American schools. More than 100 American colleges and universities now have educational exchanges with nearly as many Chinese institutions.

We have committed more resources to our Fulbright program in China than in any other country. Two of the American professors teaching here at Fudan are Fulbright professors. And there are 20 American students studying with you, and we're very proud of them.

learn many things—how you identify and predict earthquakes, how you've made such strides in researching the cause and treatment of cancer. We have much to learn from you in neurosurgery and in your use of herbs in medicine. And we welcome the chance to study your language, your history, and your society.

You, in turn, have shown that you're eager to learn, to come to American schools and study electronics and computer sciences, math and engineering, physics, management, and the humanities. We have much to share in these fields, and we're eager to benefit from your curiosity. Much of this sharing is recent, only 5 years old. But the areas of our mutual cooperation continue to expand. We've already agreed to cooperate more closely in trade, technology, investment, and exchanges of scientific and managerial expertise. And we have just concluded an important agreement to help advance our technological and economic development through the peaceful use of nuclear energy.

That term—peaceful use of nuclear energy—is key. Our agreement rests upon important principles of nonproliferation. Neither of our countries will encourage nuclear proliferation nor assist any other country to acquire or develop any nuclear explosive device.

We live in a troubled world, and the United States and China, as two great nations, share a special responsibility to help reduce the risks of war. We both agree that there can be only one sane policy to preserve our precious civilization in this modern age: a nuclear war cannot be won and must never be fought. And no matter how great the obstacles may seem, we must never stop our efforts to reduce the weapons of war. We must never stop at all until we see the day when nuclear arms have been banished from the face of this earth.

With peaceful cooperation as our guide, the possibilities for future progress are great. For example, we look forward to exploring with China the possibilities of cooperating in the development of space on behalf of our fellow citizens.

Our astronauts have found that by working in the zero gravity environment of space, we will be able to manufacture life-saving medicines with far greater purity and efficiency—medicines that will treat diseases of heart attack and stroke that afflict millions of us. We will learn how to manufacture Factor 8, a rare and expensive medicine used to treat hemo-

in navigation, weather forecasting, broadcasting, and computer technology. We already have the technology to make the extraordinary commonplace. We hope to see the day when a Chinese scientist working out an engineering problem in Fudan will be able to hook into the help of a scientist at a computer at M.I.T. And the scientist in Boston will be able to call on the expertise of the scientist in Shanghai, and all of it in a matter of seconds.

My young friends, this is the way of the future. By pooling our talents and resources, we can make space a new frontier of peace.

Your government's policy of forging closer ties in the free exchange of knowledge has not only enlivened your economy, it has opened the way to a new convergence of Chinese and American interests. You have opened the door, and let me assure you that ours is also open.

Now, all of this is particularly exciting in light of the recent history of our two countries. For many years, there was no closeness between us. The silence took its toll. A dozen years ago, it began to change. Together, we made it change. And now in the past 5 years, your policy of opening to the outside world has helped us begin to know each other better than we ever had before.

But that process has just begun. To many Americans, China is still a faraway place, unknown, unseen, and fascinating. And we are fascinated.

I wonder if you're aware of the many ways China has touched American life? The signs of your influence and success abound. If I were spending this afternoon in Washington, I might look out the window and see a man and woman strolling along Pennsylvania Avenue wearing Chinese silk. They might be on their way to our National Portrait Gallery to see the Chinese art exhibit. And from there, perhaps they would stroll to our National Gallery to see the new building designed by the Chinese-American architect, I.M. Pei. After that, they might end their day dining in a restaurant that serves Chinese cuisine.

We associate China with vitality, enormous vitality, and something that doesn't always go along with that—subtlety, the subtlety of discerning and intelligent minds.

Premier Zhao saw something of the American attitude toward China when he visited us in January. He said after a few days in our country that he never ex-

of China to be just as warm and friendly toward us, and it's made us very

But meeting you and talking with you has only made me want to know more. And I sense that you feel the same about Americans. You, too, wish to know more.

The American Tradition and National Character

I would like to tell you something about us and also share something of our values.

First of all, America is really a land of immigrants. We call ourselves a nation of immigrants, and that's truly what we are. We have drawn people from every corner of the earth. We're composed of every race and religion and not in small numbers, but large. We have a statue in New York Harbor that speaks of this tradition: a statue of a woman holding a torch, a welcome to those who enter our country to become Americans. She has greeted millions upon millions of immigrants to our country. She welcomes them and represents our open door.

All of the immigrants who came here brought their own music, literature, customs, and ideas. And the marvelous thing, a thing of which we're proud, is that they did not have to relinquish their own things in order to fit in. In fact, what they brought to America became a part of America. And this diversity has more than enriched us; it has literally shaped our country.

This tradition—the tradition of immigrants adding to the sum total of what we are—is not a thing of the past. New immigrants are still bringing their talents and improving the quality of American life. Let me name a few of them; you'll know their names.

In America, Wang computers have become a fixture in offices throughout the country. They are the product of the energy and brilliance of Mr. An Wang, who himself is the product of a Shanghai university.

The faces of our cities shine with the gleaming buildings of Mr. I.M. Pei. He first became interested in architecture as a student here in Shanghai.

What we know of the universe and the fundamental nature of matter has been expanded by the Nobel Prize-winning scientist, Dr. Lee Tsung-Dao, who was born in Shanghai.

We admire these men, we honor them, and we salute you for what you

But we always hold together as a society. We've held together for more than 200 years, because we're united by certain things in which we all believe, things to which we've quietly pledged our deepest loyalties. I draw your special attention to what I'm about to say, because it's so important to an understanding of my country.

We believe in the dignity of each man, woman, and child. Our entire system is founded on an appreciation of the special genius of each individual and of his special right to make his own decisions and lead his own life.

We believe—and we believe it so deeply that Americans know these words by heart—we believe “that all Men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among those are Life, Liberty and the Pursuit of Happiness.” Take an American student or teacher aside later today and ask if he or she hasn't committed those words to memory. They are from the document by which we created our nation, the Declaration of Independence.

We elect our government by the vote of the people. That is how we choose our Congress and our president. We say of our country, “Here the People Rule,” and it is so.

Let me tell you something of the American character. You might think that with such a varied nation there couldn't be one character, but in many fundamental ways there is.

We are a fairminded people. We're taught not to take what belongs to others. Many of us, as I said, are the children and grandchildren and great-grandchildren of immigrants, and from them we learned something of hard labor. As a nation we tolled up from poverty, and no people on earth are more worthy to be trusted than these who have worked hard for what they have. None is less inclined to take what is not theirs.

We're idealists. Americans love freedom, and we've fought and died to protect the freedom of others. When the armies of fascism swept Europe four decades ago, the American people fought at great cost to defend the countries under assault.

When the armies of fascism swept Asia, we fought with you to stop them. And some of you listening today remember those days, remember when our General Jimmy Doolittle and his

won, the United States voluntarily withdrew from the faraway places in which we had fought. We kept no permanent armies of occupation. We didn't take an inch of territory, nor do we occupy one today. Our record of respect for the freedom and independence of others is clear.

We're a compassionate people. When the war ended we helped rebuild our allies—and our enemies as well. We did this because we wanted to help the innocent victims of bad governments and bad policies, and because, if they prospered, peace would be more secure.

We're an optimistic people. Like you, we inherited a vast land of endless skies, tall mountains, rich fields, and open prairies. It made us see the possibilities in everything. It made us hopeful. And we devised an economic system that rewarded individual efforts, that gave us good reason for hope.

We love peace. We hate war. We think—and always have—that war is a great sin, a woeful waste. We wish to be at peace with our neighbors. We want to live in harmony with friends.

There is one other part of our national character I wish to speak of. Religion and faith are very important to us. We're a nation of many religions. But most Americans derive their religious belief from the Bible—the Bible of Moses who delivered a people from slavery; the Bible of Jesus Christ who told us to love thy neighbor as thyself, to do unto your neighbor as you would have him do unto you.

And this, too, has formed us. It's why we wish well for others. It's why it grieves us when we hear of people who cannot live up to their full potential and who cannot live in peace.

A Maturing Relationship

We invite you to know us. That is the beginning of friendship between people. And friendship between people is the basis for friendship between governments.

The silence between our governments has ended. In the past 12 years, our people have become reacquainted, and now our relationship is maturing. And we're at the point where we can build the basis for a lasting friendship.

Now, you know, as I do, that there's much that naturally divides us: time and space, different languages and values, dif-

ferent ways of life, different attitudes toward the rights of

But let us, for a moment, put aside the words that name our differences and think what we have in common. We are two great and huge nations on opposite sides of the globe. We are both countries of great vitality and strength. You are the most populous country on earth; we are the most technologically developed. Each of us holds a special weight in our respective sides of the world.

There exists between us a kind of equipoise. Those of you who are engineering students will perhaps appreciate that term. It speaks of a fine and special balance.

Already there are some political concerns that align us, and there are some important questions on which we both agree. Both the United States and China oppose the brutal and illegal occupations of Kampuchea. Both the United States and China have stood together in condemning the evil and unlawful invasion of Afghanistan. Both the United States and China now share a stake in preserving peace on the Korean Peninsula, and we share a stake in preserving peace in this area of the world.

Neither of us is an expansionist power. We do not desire your land, nor you ours. We do not challenge your borders. We do not provoke your anxieties. In fact, both the United States and China are forced to arm themselves against those who do.

The United States is now undertaking a major strengthening of our defenses. It's an expensive effort, but we make it to protect the peace, knowing that a strong America is a safeguard for the independence and peace of others.

Both the United States and China are rich in human resources and human talent. What wonders lie before us if we practice the advice, *Tong li he zuo*—Connect strength and work together.

Over the past 12 years, American and Chinese leaders have met frequently to discuss a host of issues. Often we have found agreement, but even when we have not, we've gained insight into each other and we've learned to appreciate the other's perspectives on the world.

flourish if we remember certain things. We must neither ignore our problems nor overstate them. We must never exaggerate our difficulties or send alarms for small reasons. We must remember that it is a delicate thing to oppose the wishes of a friend, and when we're forced to do so, we must be understanding with each other.

I hope that when history looks back upon this new chapter in our relationship, these will be remembered as days when America and China accepted the challenge to strengthen the ties that bind us, to cooperate for greater prosperity among our people, and to strive for a more secure and just peace in the world.

You, the students at Fudan University, and the scholars at all the universities in China and America have a great role to play in both our countries' futures. From your ranks will come the understanding

to come. Today's leaders can pave the way of the future. That is our responsibility. But it is always the younger generation who will make the future. It is you who will decide if a continuing, personal friendship can span the generations and the differences that divide us. In such friendship lies the hope of the world.

When he was a very young man, Zhou Enlai wrote a poem for a schoolmate who was leaving to study abroad. Zhou appreciated the responsibilities that separated them, but he also remembered fondly the qualities that made them friends. And his poem ends:

Promise, I pray, that someday
When task done, we go back farming,
We'll surely rent a plot of ground
And as pairing neighbors, let's live.

Well, let us, as pairing neighbors, live. I've been happy to speak to you here, to meet you in this city that is so rich in significance for both our countries. Shanghai is a city of scholarship, a city of learning. Shanghai has been a window to the West. It is a city in which my country and yours issued the communique that began our modern friendship. It is the

China Sea, which, then, connects the Pacific, which touches our shores.

The Yangtze is a swift and tumbling river, one of the great rivers of the world. My young friends, history is a river; it may take us as it will. But we have the power to navigate, to choose direction and make our passage together. The tide is up, the current is swift, and opportunity for a long and fruitful journey awaits us.

Generations hence will honor us, having begun the voyage, for moving together and escaping the fate of the buried armies of Xi'an—the buried warriors who stood for centuries frozen in time, frozen in an unknowing enemy.

We have made our choice. Our journey will continue. And may it always continue in peace and in friendship. ■

Promoting Democracy and Peace

President Reagan
British Parliament
London
June 8, 1982

The journey of which this visit forms a part is a long one. Already it has taken me to two great cities of the West—Rome and Paris—and to the economic summit at Versailles. There, once again, our sister democracies have proved that, even in a time of severe economic strain, free peoples can work together freely and voluntarily to address problems as serious as inflation, unemployment, trade, and economic development in a spirit of cooperation and solidarity. Other milestones lie ahead. Later this week in Germany, we and our NATO allies will discuss measures for our joint defense and America's latest initiatives for a more peaceful, secure world through arms reductions.

Each stop of this trip is important, but, among them all, this moment occupies a special place in my heart and the hearts of my countrymen—a moment of kinship and homecoming in these hallowed halls. Speaking for all Americans, I want to say how very much at home we feel in your house. Every American would, because this is—as we have been so eloquently told—one of democracy's shrines. Here the rights of free people and the processes of representation have been debated and refined.

It has been said that an institution is the lengthening shadow of a man. This institution is the lengthening shadow of all the men and women who have sat here and all those who have voted to send representatives here.

This is my second visit to Great Britain as President of the United States. My first opportunity to stand on British soil occurred almost a year and a half ago when your Prime Minister

graciously hosted a diplomatic dinner at the British Embassy in Washington. Mrs. Thatcher said then that she hoped that I was not distressed to find staring down at me from the grand staircase a portrait of His Royal Majesty King George III. She suggested it was best to let bygones be bygones and—in view of our two countries' remarkable friendship in succeeding years—she added that most Englishmen today would agree with Thomas Jefferson that “a little rebellion now and then is a very good thing.”

From here I will go on to Bonn and then Berlin, where there stands a grim symbol of power untamed. The Berlin Wall, that dreadful gray gash across the city, is in its third decade. It is the fitting signature of the regime that built it. And a few hundred kilometers behind the Berlin Wall there is another symbol. In the center of Warsaw there is a sign that notes the distances to two capitals. In one direction it points toward Moscow. In the other it points toward Brussels, headquarters of Western Europe's tangible unity. The marker says that the distances from Warsaw to Moscow and Warsaw to Brussels are equal. The sign makes this point: Poland is not East or West. Poland is at the center of European civilization. It has contributed mightily to that civilization. It is doing so today by being magnificently unreconciled to oppression.

Poland's struggle to be Poland, and to secure the basic rights we often take for granted, demonstrates why we dare not take those rights for granted. Gladstone, defending the Reform Bill of 1866, declared: “You cannot fight against the future. Time is on our side.” It was easier to believe in the march of democracy in Gladstone's day, in that high noon of Victorian optimism.

We are approaching the end of a bloody century plagued by a terrible political invention—totalitarianism. Optimism comes less easily today, not because democracy is less vigorous but because democracy's enemies have refined

their instruments of repression. Yet optimism is in order because, day by day, democracy is proving itself to be a not-at-all fragile flower.

From Stettin on the Baltic to Varna on the Black Sea, the regimes planted by totalitarianism have had more than 30 years to establish their legitimacy. But none—not one regime—has yet been able to risk free elections. Regimes planted by bayonets do not take root.

The strength of the Solidarity movement in Poland demonstrates the truth told in an underground joke in the Soviet Union. It is that the Soviet Union would remain a one-party nation even if an opposition party were permitted, because everyone would join the opposition party.

America's time as a player on the stage of world history has been brief. I think understanding this fact has always made you patient with your younger cousins. Well, not always patient—I do recall that on one occasion Sir Winston Churchill said in exasperation about one of our most distinguished diplomats: “He is the only case I know of a bull who carries his china shop with him.”

Threats to Freedom

Witty as Sir Winston was, he also had that special attribute of great statesmen—the gift of vision, the willingness to see the future based on the experience of the past. It is this sense of history, this understanding of the past, that I want to talk with you about today, for it is in remembering what we share of the past that our two nations can make common cause for the future.

We have not inherited an easy world. If developments like the industrial revolution, which began here in England, and the gifts of science and technology have made life much easier for us, they have also made it more dangerous. There are threats now to our

that other generations could never even have imagined.

There is, first, the threat of global war. No president, no congress, no prime minister, no parliament can spend a day entirely free of this threat. And I don't have to tell you that in today's world, the existence of nuclear weapons could mean, if not the extinction of mankind, then surely the end of civilization as we know it.

That is why negotiations on intermediate-range nuclear forces now underway in Europe and the START talks—Strategic Arms Reduction Talks—which will begin later this month, are not just critical to American or Western policy; they are critical to mankind. Our commitment to early success in these negotiations is firm and unshakable and our purpose is clear: reducing the risk of war by reducing the means of waging war on both sides.

At the same time, there is a threat posed to human freedom by the enormous power of the modern state. History teaches the dangers of government that overreaches: political control taking precedence over free economic growth, secret police, mindless bureaucracy—all combining to stifle individual excellence and personal freedom.

Now I am aware that among us here and throughout Europe, there is legitimate disagreement over the extent to which the public sector should play a role in a nation's economy and life. But on one point all of us are united: our abhorrence of dictatorship in all its forms, but most particularly totalitarianism and the terrible inhumanities it has caused in our time: the great purge, Auschwitz and Dachau, the Gulag and Cambodia.

Historians looking back at our time will note the consistent restraint and peaceful intentions of the West. They will note that it was the democracies who refused to use the threat of their nuclear monopoly in the 1940s and early 1950s for territorial or imperial gain.

hands of the Communist world, the map of Europe—indeed, the world—would look very different today. And certainly they will note it was not the democracies that invaded Afghanistan or suppressed Polish solidarity or used chemical and toxin warfare in Afghanistan and South-east Asia.

If history teaches anything, it teaches that self-delusion in the face of unpleasant facts is folly. We see around us today the marks of our terrible dilemma—predictions of doomsday, anti-nuclear demonstrations, an arms race in which the West must for its own protection be an unwilling participant. At the same time, we see totalitarian forces in the world who seek subversion and conflict around the globe to further their barbarous assault on the human spirit.

What, then, is our course? Must civilization perish in a hail of fiery atoms? Must freedom wither in a quiet, deadening accommodation with totalitarian evil? Sir Winston Churchill refused to accept the inevitability of war or even that it was imminent. He said:

I do not believe that Soviet Russia desires war. What they desire is the fruits of war and the indefinite expansion of their power and doctrines. But what we have to consider here today, while time remains, is the permanent prevention of war and the establishment of conditions of freedom and democracy as rapidly as possible in all countries.

The Crisis of Totalitarianism

This is precisely our mission today: to preserve freedom as well as peace. It may not be easy to see, but I believe we live now at a turning point. In an ironic sense, Karl Marx was right. We are witnessing today a great revolutionary crisis—a crisis where the demands of the economic order are conflicting directly with those of the political order. But the crisis is happening not in the free, non-Marxist West but in the home of Marxism-Leninism, the Soviet Union. It is the Soviet Union that runs against the tide of history by denying human freedom and human dignity to its citizens. It also is in deep economic difficulty. The rate of growth in the national product has been steadily declining since the 1950s and is less than half of what it was then. The dimensions of this failure

one-fifth of its population in agriculture is unable to feed its own people. Were it not for the tiny private sector tolerated in Soviet agriculture, the country might be on the brink of famine. These private plots occupy a bare 3% of the arable land but account for nearly one-quarter of Soviet farm output and nearly one-third of meat products and vegetables.

Overcentralized, with little or no incentives, year after year the Soviet system pours its best resources into the making of instruments of destruction. The constant shrinkage of economic growth combined with the growth of military production is putting a heavy strain on the Soviet people.

What we see here is a political structure that no longer corresponds to its economic base, a society where productive forces are hampered by political ones. The decay of the Soviet experiment should come as no surprise to us. Wherever the comparisons have been made between free and closed societies—West Germany and East Germany, Austria and Czechoslovakia, Malaysia and Vietnam—it is the democratic countries that are prosperous and responsive to the needs of their people. And one of the simple but overwhelming facts of our time is this: of all the millions of refugees we've seen in the modern world, their flight is always away from, not toward, the Communist world. Today on the NATO line, our military forces face East to prevent a possible invasion. On the other side of the line, the Soviet forces also face East—to prevent their people from leaving.

The hard evidence of totalitarian rule has caused in mankind an uprising of the intellect and will. Whether it is the growth of the new schools of economics in America or England or the appearance of the so-called "new philosophers" in France, there is one unifying thread running through the intellectual work of these groups: rejection of the arbitrary power of the state, the refusal to subordinate the rights of the individual to the superstate, the realization that collectivism stifles all the best human impulses.

Struggle Against Oppression

Since the exodus from Egypt, historians have written of those who sacrificed and struggled for freedom: the stand at Thermopylae, the revolt of Spartacus, the storming of the Bastille, the Warsaw uprising in World War II. More recently we have seen evidence of this same human impulse in one of the developing nations in Central America. For months and months the world news media covered the fighting in El Salvador. Day after day we were treated to stories and film slanted toward the brave freedom fighters battling oppressive government forces in behalf of the silent, suffering people of that tortured country.

Then one day those silent, suffering people were offered a chance to vote, to choose the kind of government they wanted. Suddenly the freedom fighters in the hills were exposed for what they really are: Cuban-backed guerrillas who want power for themselves and their backers, not democracy for the people. They threatened death to any who voted and destroyed hundreds of busses and trucks to keep people from getting to the polling places. But on election day the people of El Salvador, an unprecedented 1.4 million of them, braved ambush and gunfire and trudged miles to vote for freedom.

They stood for hours in the hot sun waiting for their turn to vote. Members of our Congress who went there as observers told me of a woman who was wounded by rifle fire who refused to leave the line to have her wound treated until after she had voted. A grandmother, who had been told by the guerrillas she would be killed when she returned from the polls, told the guerrillas: "You can kill me, kill my family, kill my neighbors, but you can't kill us all." The real freedom fighters of El Salvador turned out to be the people of that country—the young, the old, and the in-between. Strange, but in my own country there has been little if any news coverage of that war since the election.

Perhaps they'll say it's because there are newer struggles now—on distant islands in the South Atlantic young men are fighting for Britain. And, yes, voices have been raised protesting their sacrifices for lumps of rock and earth so far

away. But those young men aren't fighting for mere real estate. They fight for a cause, for the belief that armed aggression must not be allowed to succeed and that people must participate in the decisions of government under the rule of law. If there had been firmer support for that principle some 45 years ago, perhaps our generation wouldn't have suffered the bloodletting of World War II.

In the Middle East the guns sound once more, this time in Lebanon, a country that for too long has had to endure the tragedy of civil war, terrorism, and foreign intervention and occupation. The fighting in Lebanon on the part of all parties must stop, and Israel should bring its forces home. But this is not enough. We must all work to stamp out the scourge of terrorism that in the Middle East makes war an ever-present threat.

The objective I propose is quite simple to state: to foster the infrastructure of democracy—the system of a free press, unions, political parties, universities—which allows a people to choose their own way, to develop their own culture, to reconcile their own differences through peaceful means.

But beyond the troublespots lies a deeper, more positive pattern. Around the world today the democratic revolution is gathering new strength. In India, a critical test has been passed with the peaceful change of governing political parties. In Africa, Nigeria is moving in remarkable and unmistakable ways to build and strengthen its democratic institutions. In the Caribbean and Central America, 16 of 24 countries have freely elected governments. And in the United Nations, 8 of the 10 developing nations which have joined the body in the past 5 years are democracies.

In the Communist world as well, man's instinctive desire for freedom and self-determination surfaces again and again. To be sure, there are grim reminders of how brutally the police state attempts to snuff out this quest for self-rule: 1963 in East Germany, 1956 in Hungary, 1968 in Czechoslovakia, 1981 in Poland. But the democratic movement

ourselves here in the Western democracies will determine whether this trend continues.

Fostering Democracy

No, democracy is not a fragile flower; still, it needs cultivating. If the rest of this century is to witness the gradual growth of freedom and democratic ideals, we must take actions to assist the campaign for democracy. Some argue that we should encourage democratic change in rightwing dictatorships but not in Communist regimes. To accept this preposterous notion—as some well-meaning people have—is to invite the argument that, once countries achieve a nuclear capability, they should be allowed an undisturbed reign of terror over their own citizens. We reject this course.

As for the Soviet view, President Brezhnev repeatedly has stressed that the competition of ideas and systems must continue and that this is entirely consistent with relaxation of tensions and peace. We ask only that these systems begin by living up to their own constitutions, abiding by their own laws, and complying with the international obligations they have undertaken. We ask only for a process, a direction, a basic code of decency—not for an instant transformation.

We cannot ignore the fact that even without our encouragement, there have been and will continue to be repeated explosions against repression in dictatorships. The Soviet Union itself is not immune to this reality. Any system is inherently unstable that has no peaceful

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Commitment to Peace Security in Europe

President Bush
Institute of
International Affairs
on
January 9, 1983

...oked forward eagerly to the
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...in this magnificent setting. I
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selves: What kind of people do we think
we are? And let us answer: free people,
worthy of freedom, and determined not
only to remain so but to help others gain
their freedom as well.

Sir Winston led his people to great
victory in war and then lost an election
just as the fruits of victory were about
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I have not been to Guildhall before,
but I am familiar with its history, with
its repeated trials by fire and blitz, and
with its indomitable spirit. I was also
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looking down on me as I spoke: Nelson,
Wellington, Pitt, Churchill. Most Ameri-
cans would, I think, be somewhat ner-
vous at the prospect of speaking in such
an imposing setting. Except, of course,
for Henry Kissinger.

But American envoys have often
struck the British as rather self-assured.
As President Reagan reminded the
Parliament when he spoke before it last
year, it was Mr. Churchill who said of
John Foster Dulles he was the only bull
who carried his own chinacloset with
him. But you were once our age and
have had your share of self-assured
figures. I believe it was one of your
early Henrys who angrily inquired of the
Duke of Dublin whether it was true he
had burned down the local cathedral.
"Yes," replied the Duke, "but only
because I thought the Archbishop was
inside."

My conversations on the continent
and here in Britain have focused on the
two central problems we face today: the
worldwide recession and the Soviet

the Commons nearly 27 years ago. He
said: "When we look back on all the
perils through which we have passed
and at the mighty foes we have laid low
and all the dark and deadly designs we
have frustrated, why should we fear for
our future? We have," he said, "come
safely through the worst."

The task I have set forth will long
outlive our own generation. But to-
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I was able to report that the United
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rekindled.

I agreed very emphatically with
European leaders that in these trying
economic times we mustn't succumb to
protectionist temptations. These would
badly cripple the system of open, inter-

I have often wondered about the shyness of some of us in the West about standing for these ideals that have done so much to ease the plight of man and the hardships of our imperfect world. This reluctance to use those vast resources at our command reminds me of the elderly lady whose home was bombed in the blitz. As the rescuers moved about they found a bottle of brandy she'd stored behind the staircase, which was all that was left standing. Since she was barely conscious, one of the workers pulled the cork to give her a taste of it. She came around immediately and said: "Here now, put it back, that's for emergencies."

Well, the emergency is upon us. Let us be shy no longer—let us go to our strength. Let us offer hope. Let us tell the world that a new age is not only possible but probable.

During the dark days of the Second World War when this island was incan-

descent with courage, Winston Churchill exclaimed about Britain's adversaries: "What kind of a people do they think we are?" Britain's adversaries found out what extraordinary people the British are. But all the democracies paid a terrible price for allowing the dictators to underestimate us. We dare not make that mistake again. So let us ask ourselves: What kind of people do we think we are? And let us answer: free people, worthy of freedom, and determined not only to remain so but to help others gain their freedom as well.

Sir Winston led his people to great victory in war and then lost an election just as the fruits of victory were about to be enjoyed. But he left office honorably—and, as it turned out, temporarily—knowing that the liberty of his people was more important than the fate of any single leader. History recalls his greatness in ways no dictator will ever

know. And he left us a message of hope for the future, as timely now as when he first uttered it, as opposition leader in the Commons nearly 27 years ago. He said: "When we look back on all the perils through which we have passed and at the mighty foes we have laid low and all the dark and deadly designs we have frustrated, why should we fear for our future? We have," he said, "come safely through the worst."

The task I have set forth will long outlive our own generation. But together, we, too, have come through the worst. Let us now begin a major effort to secure the best—a crusade for freedom that will engage the faith and fortitude of the next generation. For the sake of peace and justice, let us move toward a world in which all people are at last free to determine their own destiny. ■

U.S. Commitment to Peace and Security in Europe

Vice President Bush
Royal Institute of
International Affairs
London
February 9, 1983

I've looked forward eagerly to the chance of addressing this distinguished forum in this magnificent setting. I come to you a bit weary, having spent the last 11 days in seven countries, but very much invigorated in spirit.

Once again, I found that the rumors of the death of our alliance have been greatly exaggerated. President Reagan, who asked me to give you his warmest greetings, sent me to Europe to consult with, and to listen to, the leadership on this side of the Atlantic. I welcomed the chance to bring with me the message that what challenges we face, we face together.

What I found in Western Europe was a group of leaders, united on behalf of the NATO alliance. And that was the best possible news for all who desire

I have not been to Guildhall before, but I am familiar with its history, with its repeated trials by fire and blitz, and with its indomitable spirit. I was also told about the statesmen who would be looking down on me as I spoke: Nelson, Wellington, Pitt, Churchill. Most Americans would, I think, be somewhat nervous at the prospect of speaking in such an imposing setting. Except, of course, for Henry Kissinger.

But American envoys have often struck the British as rather self-assured. As President Reagan reminded the Parliament when he spoke before it last year, it was Mr. Churchill who said of John Foster Dulles he was the only bull who carried his own china closet with him. But you were once our age and have had your share of self-assured figures. I believe it was one of your early Henrys who angrily inquired of the Duke of Dublin whether it was true he had burned down the local cathedral. "Yes," replied the Duke, "but only because I thought the Archbishop was inside."

My conversations on the continent

to many I've met that we would do well to recognize that these problems are, in part, the consequence of our own success.

The economic situation has been, in large part, due to a retrenchment that came after a long, sustained period of economic growth and vitality which raised living standards to historically unparalleled levels. The specific characteristics of the recession vary from country to country, of course, but the pattern is the same: slow or negative growth; high unemployment; declining productivity; and budget deficits representing a high percentage of the domestic product.

I was able to report that the United States is entering a period of recovery from the recession. We're anticipating that this year will see sustained growth—growth that will last, because we are not going to allow inflation to be rekindled.

I agreed very emphatically with European leaders that in these trying economic times we mustn't succumb to protectionist temptations. These would badly cripple the system of open, inter-

economic development. We've spent too much time building bridges suddenly to start throwing up walls. Our countries will explore the protectionist issue in depth at the Williamsburg summit this May where the focus will be on worldwide economic expansion. But to return to my trip for a moment. Let me, if I may, share a few impressions with you.

I went, for the first time in my life, to the Berlin Wall and peered over into that desolate landscape of barbed wire, guard dogs, and watchtowers that are the symbols of that regime. After landing in Nuremberg, I went to a small town of 250 people on the inner-German border called "Little Berlin" because of the wall that runs through it. If anything, that wall was an even greater obscenity than its eponym to the north.

Those who live in the eastern part of this small, agricultural town are looked down on by tall, concrete watchtowers. I saw the mines, barriers, machineguns—all of them pointed not west, at NATO, but east, at their own citizens, who are denied the most fundamental of human rights, the right of free movement. So it is that thinking back on the demonstrators over whose background noise I spoke in the Netherlands, I reflect that I am enduringly grateful that these voices have found their fullest expression on this side of the wall.

Recently, I became aware that one East German antinuclear group was swiftly suppressed and that even the symbol of their movement was outlawed—a Soviet statue of a man beating a sword into a ploughshare. Orwell, thou should'st be living at this hour.

There were anniversaries along the way. Our wheels first touched down on European soil 50 years to the day after Adolf Hitler rose to the chancellorship of Germany. It was a compelling and immediate reminder of the vulnerability of weak institutions, and of how devastating are the consequences of their collapse.

On a pleasanter note, this year marks the tricentennial of German immigration to the United States. And in the Netherlands, I took part in the final event of the bicentennial of Dutch-American relations. This evening is an anniversary here in Britain: the 50th anniversary of the famous debate at the Oxford Union, when the proposition, "This house will in no circumstances fight for King and country," carried.

sition will be. This house would not fight for Queen and country." I'm told the general feeling this time around is that the proposition will not carry.

Soviet Military Buildup

I mentioned a moment ago that the two challenges we face—the worldwide recession and the unprecedented Soviet military buildup—should be looked at in the context of success, not failure. What the Soviet Union has undertaken should be viewed against the backdrop of a Western strategy of deterrence, both conventional and nuclear, that has kept the peace in Europe for 38 years, the longest such period Europe has known this century.

For over a generation now, we have lived with nuclear weapons. We have had to face enormous challenges and complexities stemming from their destructive power. This has not been an easy task for democratic societies, because our people, quite properly, believe that nuclear weapons should never be used. Thus for a generation, successive Western governments have firmly held that our safety depends on a balance of forces, not an imbalance. Our strategy, therefore, has never been one of war-fighting. Our strategy has always been one of war-preventing. And it works.

Since NATO came into being, there have been well over 100 armed conflicts outside of Western Europe. Determined that we must never permit war to break out again, we are also determined to take whatever steps we must to insure it never does. President Reagan has said, what we all know to be the case, that "there are no winners in a nuclear war—only losers."

That these steps are costly, no one disputes. As enlightened Western democracies, we would obviously rather devote the resources to other purposes. But as enlightened Western democracies, we certainly must see to it that our security is not hostage to the missiles of a state whose major postwar foreign policy achievements can be summed up with unfortunate concision: East Germany, 1953; Hungary, 1956; Czechoslovakia, 1968; Afghanistan, 1979; Poland, 1981.

Farsighted, responsible leaders and publics who recognize what is at stake are supporting the allocation of resources to the deterrent forces that will prevent the names of more countries

from being added to the list. It is customary in the democratic countries to deplore expenditures on armaments as conflicting with the requirements of the social services. But there is a tendency to forget that the most important social service a government can provide for its people is to keep them alive and free."

Consistent with our longstanding consensus on deterrence, the NATO alliance made a unanimous decision in December 1979 to respond to the Soviet military buildup. That buildup has been thorough and relentless, conventional, chemical, and nuclear. It has been a buildup that far exceeds any legitimate requirement for defense.

Most destabilizing of all aspects of the buildup have been its deployment of SS-20 missiles, most of which are aimed at the heart of Western Europe.

This missile threatens to undermine the linkage between the American deterrent and the defense of our allies here and on the continent. A Soviet monopoly of intermediate-range nuclear forces (INF) could thus lead that country to believe—however mistakenly—that the United States might not respond to Soviet nuclear intimidation, or in the event of an actual attack on its allies and troops in Western Europe. At a time of rough U.S.-Soviet parity at the strategic level, the emergence of a powerful SS-20 force has given the Soviets the capability they have long sought to intimidate Western Europe.

The myth has been put forward that the American INF deployments would be a step toward nuclear war-fighting, and to war-fighting confined to Europe alone. I can do no better than to quote from the *Economist's* cover article entitled: "Can so Many Young People be Wrong About the Bomb? Yes, They Can." The editorial noted that, "Nothing more justifiably infuriates the Americans than the allegation that they want to put cruise missiles and Pershing II missiles into Europe in order to have a purely European nuclear war. These missiles were originally proposed—by Europeans—for exactly the opposite reason."

The *Economist* is right. Nothing is more infuriating than the suggestion we are preparing to fight a nuclear war, because we are not preparing to fight a nuclear war. We are preparing to deter war.

The very presence of American forces provides a guarantee of U.S. in-

words, the living guarantee of our commitment to the peace and security of Europe. Our security is indivisible from Europe's. An attack on you is an attack on us.

NATO's December 1979 decision had, as we all know, two dimensions, or tracks. NATO would deploy INF in Europe, but, at the same time, would try to bring the Soviet Union to the negotiating table for the purpose of making its deployment unnecessary. This was a flexible decision. To be any more flexible we'd have had to be invertebrates.

For 3 years now, the alliance has pursued both tracks. It has done so in the face of Stakhanovite attempts by the Soviet Union to overturn it; and despite the attempts of well-meaning but mistaken Westerners who believe that one track can be pursued without the other.

Andropov Proposal

For a year after we made the decision, the Soviet Union refused even to come to the negotiating table, insisting that we first renounce our plans to deploy our deterrent forces. When the Soviets finally realized NATO was resolute, they agreed to talk. But during the year that followed, they tried, by what Mrs. [British Prime Minister Margaret] Thatcher calls "bogus counting" to prove they did not even possess INF superiority. And now, General Secretary [Yuriy V.] Andropov has made public a negotiating proposal which similarly attempts to overturn the basis of the December 1979 decision.

The Andropov proposal is most interesting. And most paradoxical, for the following reasons. Ever since the 1979 decision, the Soviets have claimed that a "balance" of intermediate-range forces already existed between East and West. Three years later, after deploying one SS-20 a week, while NATO deployed none, they still claim a balance exists. Some balance.

The effect of Mr. Andropov's proposal is clear: to leave the Soviet Union with more missiles pointing at Europe than there were at the end of 1981, when the negotiations began. His proposal, if accepted, would leave nearly 500 warheads aimed at Western Europe. It would leave another 300 pointed at American allies in Asia, Japan, and South Korea, as well as at the People's Republic of China. Their missiles are

designed to achieve exactly the Soviet intermediate-range nuclear superiority which our 1979 decision was taken in order to prevent.

Soviet proposals are based on the concept—also implicit in so many of their public statements—that their security is more important than the security of Western Europe. It shouldn't surprise us that the Soviets take this view of things. But what is surprising is that they should expect Western Europe to concur in it and to demand that the United States negotiate an accord based on it.

Now, Mr. Andropov has justified this one-sided proposal on the grounds that the Soviet Union must be compensated for the existence of the British and French strategic nuclear systems. But as NATO recognized when it made its 1979 decision, these British and French systems cannot substitute for American INF forces stationed in Europe under NATO deterrent strategy.

Nothing is more infuriating than the suggestion we are preparing to fight a nuclear war, because we are not preparing to fight a nuclear war. We are preparing to deter war.

British and French forces have no place in a bilateral negotiation about land-based, intermediate-range missiles that were the cause for undertaking these talks in the first place. In past arms control negotiations, the Soviet Union has demanded compensation for British and French systems, and has accepted a rebuff from the United States. As President Reagan said in his recent State of the Union message, the United States insists on equality of comparable weapons as the basis for arms negotiations.

Finally, the Soviets' selective inclusion of British and French systems ignores significant advantages they enjoy in other categories of nuclear weapons threatening Western Europe. As we have said, the Soviets have a monopoly on intermediate-range missiles. They try to justify this by saying that there is an overall "balance" of land-based intermediate-range weapons if all systems, including nuclear-capable aircraft, are counted.

This is egregiously false. Any objec-

tioning the Soviet Union would have a permanent INF advantage, even including British and French forces.

For all these reasons, the Andropov proposal is not a reasonable one, because it ignores the very rationale for the 1979 NATO decision. U.S. intermediate-range forces are designed to maintain the vital link between NATO's conventional forces and the U.S. strategic deterrent. The purpose of the Soviet proposals is not to reduce, or even to limit, British or French forces, but to eliminate U.S. INF from Western Europe and thus decouple Europe from the protection of the U.S. nuclear umbrella.

U.S. Proposal

What, then, is a reasonable offer in the field of intermediate-range nuclear weapons? What should be its objectives? The objectives are simple to describe, and in character with all the arms reduc-

tions proposals the United States has made.

- Reductions to the lowest possible levels;
- Equal levels of force for the United States and the Soviet Union, which means no "bogus counting"; and
- Verifiability.

President Reagan made a proposal in November 1981, based on these fair-minded straightforward objectives. He proposed that the Soviet Union join with the United States and banish from the entire world this new class of nuclear weapons.

The President's offer was dramatic, bold, and straightforward. The only argument I have heard against it is that the Soviet Union doesn't like it and won't accept it. That would account for the issue of threats and nyets we've been hearing.

But the President's offer isn't a take-it-or-leave-it proposition. He's ready to have Ambassador [Paul H. Nitze, head of the U.S. delegation to the INF negotiations (Geneva)] Nitze explore any

negotiating table in Geneva. I was in Geneva myself a few days ago, and I made that message clear to the Soviet delegates personally. That was the message I read to the people of Europe—east and west—from President Reagan when I spoke in Berlin.

Everywhere I went in Europe I was asked if I'm optimistic about the talks I've had. Yes, I am. One message I'll be carrying home to the United States is that despite the differences, what unites us is still far more enduring than what ever divides us.

Paul Valery said that "The trouble with our times is that the future is not what it used to be." I admire the phrasing, but I reject the premise. History has handed us a challenge and an opportunity—a chance to rededicate ourselves to a strategy and values that are still very much alive. Failure? The possibilities do not exist.

Success in this endeavor will have consequences extending even beyond deterrence. It will signal to all the world that an alliance that rises to this challenge will rise to all challenges to the peace it holds so dear. It will fulfill our highest duties: to ourselves, to the future, and to the memory of those four gentlemen under whose rather demanding gazes I have happily found myself today. ■

Building Confidence and Security in Europe

**Secretary Shultz
CDE Opening Session
Stockholm
January 17, 1984**

First, my thanks to the people and Government of Sweden for their warm hospitality as hosts of this conference. It is particularly appropriate here in Stockholm to recall the heroic deeds of Swedish diplomat Raoul Wallenberg, who, in the last 2 years of World War II, saved thousands of Hungarian Jews from annihilation. I commend our Swedish hosts for their long tradition, exemplified by Raoul Wallenberg, of active and selfless dedication to the cause of peace and human rights.

Let me also acknowledge the contributions of the neutral and nonaligned participants in the Helsinki process. They have added a healthy balance and perspective to a decade of crucial deliberations on a wide range of vital European issues. Their participation in this forum offers them an historic opportunity to advance the cause of peace and stability in Europe today.

We are gathered here, in the words of the concluding document at Madrid, to negotiate and adopt "a set of mutually complementary confidence- and security-building measures designed to reduce the risk of military confrontation in Europe." We are here to make progress toward a specific goal: to reduce the danger of surprise attack, miscalculation, or misunderstanding.

Benjamin Franklin once wrote: "One powerful prince keeping an army always on foot makes it necessary for his neighbors to do the same to prevent surprise." Today, the power of princes has waned, but the threat from large armies and surprise attack has grown. And anxiety about surprise attack can have the perverse result of encouraging preemption or increasing the risks of war by miscalculation.

While we must heed the lesson of the 1930s, when weakness encouraged aggression, we must never repeat the tragedy of 1914, when statesmen let technology drive decisions and when nations stumbled blindly into a disastrous

its allies have long favored measures to increase openness and improve communication, to provide greater reassurance against surprise and greater insurance against miscalculation.

The confidence-building measures in the Helsinki Final Act were one positive step. Here at Stockholm, we hope to build on what has been achieved and discussed elsewhere. We should look for ways to make surprise attack more difficult; to make miscalculation less likely; to inhibit the use of military might for intimidation or coercion; to put greater predictability into peaceful military exercises in order to highlight any departures that could threaten the peace; and to enhance our ability to defuse incipient crises. Our aim, to use the current phrase, is to increase the transparency of military activity in Europe.

To achieve these goals, the United States and its allies will put forward in the coming weeks a series of specific proposals. We will propose that the participants in this conference agree:

- To exchange information about the organization and location of our respective military forces;
- To provide annual previews of military exercises;
- To provide advance notice of significant military activities;
- To invite observers to such military activities;
- To enhance the capacity for rapid communications among our governments in times of crisis; and
- To provide for means to verify each other's compliance with the undertakings agreed at this conference.

We view these proposals as only a beginning. They will be designed to concentrate our deliberations, from the outset, upon specific, concrete, realistic and useful steps. The focus should be on practical accomplishment, as distinguished from empty promises of goodwill. The United States is fully committed to the principles of nonaggression.

Helsinki Final Act. But it would be a cruel hoax on the peoples of Europe for this conference to pretend that new reaffirmation of existing—and all too often violated—pledges represents progress in European confidence-building.

We will welcome and examine in a positive spirit any proposals by any member state; we will judge them by the criteria agreed upon at Madrid—that they be militarily significant, politically binding, verifiable, and applicable to the whole of Europe.

We have assigned one of America's most experienced ambassadors to represent us at this conference. James Goodby has participated for over a decade in the CSCE [Conference on Security and Cooperation in Europe] process and in America's search for effective arms control. His efforts here will have our government's full support.

The Helsinki Process

As we pursue these practical steps, we must bear in mind that building confidence and building security have a broader dimension. If we are truly to give the peoples of Europe an added measure of assurance about their future, the nations gathered here must apply themselves not only to the immediate tasks of this conference but also to the more fundamental issues that are at the heart of the problem of European security.

As we agreed at Madrid last September, this conference is "a substantial and integral part" of the Helsinki process. The Helsinki process is an historic attempt to deal comprehensively with the interrelated problems of mutual security, economic relations, contacts between our peoples, the basic human freedoms of our peoples, and standards of international conduct. The 1975 Final Act was an eloquent statement of aspirations, to which the United States gladly subscribed because its principles were rooted in our own philosophy and tradition.

But no such document is self-executing; no such standards of conduct are self-enforcing. It is the achievement of Helsinki to have embedded these principles and standards permanently into the discourse and consciousness of European affairs. It was an accomplishment of Madrid to reinforce the ele-

mentary challenge before us today is to strengthen the forces working for these ideals and to continue to hold nations accountable for their failure to live up to them.

Europe is the cradle of the modern world. It gave birth not only to the industrial revolution but to much of modern culture, modern political thought, as well as the forms of modern diplomacy. Integral to Europe's heritage are the ideals of freedom, democracy, and national independence that have inspired the people of the United States and other peoples around the globe. Europe—all of Europe—deserves true peace and true security. Since 1945, Western Europe has seen a great reconciliation of old enmities and a great resurgence of freedom, prosperity, unity, and security. It is a crowning achievement of the European tradition in which the United States has been proud to play a part. But throughout the same period, an artificial barrier has cruelly divided this continent—and, indeed, heartlessly divided one of its great nations.

This barrier was not placed there by the West. It is not maintained by the West. It is not the West that prevents its citizens free movement or cuts them off from competing ideas.

Let me be very clear: the United States does not recognize the legitimacy of the artificially imposed division of Europe. This division is the essence of Europe's security and human rights problem, and we all know it.

Human rights remain central to any discussion of European security. As the Helsinki Final Act declares, respect for human rights and fundamental freedom is "an essential factor for the peace, justice and well-being necessary to ensure the development of friendly relations and cooperation." The attempt to impose division on Europe is inevitably a source of instability and tension.

Since the days of Woodrow Wilson, my country has understood that true peace and security in Europe depend on a foundation of basic freedoms—not least of which is the right of peoples to determine their own future. The Helsinki process is an historic, peaceful

division of Europe. Confidence-building in the larger sense means pursuing the work of Helsinki—through practical steps to break down barriers, expand human contact and intellectual interchange, increase openness, and stretch the boundaries of the human spirit.

East-West Relations and Arms Control

Yesterday President Reagan reaffirmed my country's commitment to three broad aims:

- To reduce, and eventually to eliminate, the threat and use of force in solving international disputes;
- To reduce the vast stockpiles of armaments in the world; and
- To establish a better working relationship between the United States and the Soviet Union, one marked by greater cooperation and understanding.

The United States will pursue these broad aims diligently at this conference and in every forum and every channel. We believe in dialogue and in solving problems. We believe in realistic and meaningful engagement with others to advance the cause of peace.

History has seen many attempts to negotiate limits on numbers or characteristics or uses of major armaments. Before World War I, Great Britain and Germany negotiated on ways of limiting naval construction, particularly of battleships, and on ways of enhancing mutual confidence about each other's construction plans.

Between World War I and World War II, there were extensive negotiations to limit the building of capital ships, including a significant naval disarmament agreement negotiated under American auspices in 1922. The Kellogg-Briand Pact of 1928 attempted to ban war as an instrument of policy.

These efforts, of course, failed to prevent war. The lesson of history is that efforts to prevent war or control weaponry do not operate in a vacuum. They are a dimension of international politics and cannot be divorced from their political context.

Therefore, while we pursue this effort with great energy—in Stockholm

nand that progress depends on many factors beyond the substance of the proposals or the ingenuity of the negotiators. For arms control and confidence-building to succeed, we must also work to shape the conditions that make success possible. This enterprise cannot prosper in conditions where some nations seek global or regional military superiority or resort to threats or intimidation as instruments of their foreign policy. Let me say for my country that the United States seeks no such superiority.

We in the West must, therefore, maintain the balance of power; we must maintain the cohesion of our alliances; and on this secure foundation we must seek to engage others in concrete efforts to resolve political problems peacefully. On this basis, we firmly believe pragmatic progress in East-West relations is possible. The example of Berlin under the Quadripartite Agreement is an instructive example of lasting progress achieved through unity, resolve, and genuine negotiation.

For more than a decade, the United States has engaged the Soviet Union in a series of negotiations on arms control and arms reduction. Over the past 3 years, we have actively pursued negotiations on the reduction of strategic weapons; on the reduction or elimination of intermediate-range nuclear missiles in Europe; on mutual and balanced force

of misunderstanding or miscommunication. In Brussels last month, I joined North Atlantic colleagues in extending to the Soviet Union and the other Warsaw Pact countries "the offer to work together with us to bring about a long-term constructive and realistic relationship based on equilibrium, moderation and reciprocity." "For the benefit of mankind," the Alliance foreign ministers declared in Brussels, "we advocate an open, comprehensive political dialogue, as well as cooperation based on mutual advantage."

Let us, therefore, embark here and now upon this renewed, open, and comprehensive East-West political dialogue. Let us so conduct ourselves in our deliberations that historians of the future will mark this gathering as a turning point in East-West relations. Let the opening of this conference, which itself marks an important expansion in the scope of East-West negotiations, also mark a new step in the broader relationship. We are prepared to move forward. ■

car weapons in the Communist arsenal; on confidence-building measures to strengthen nuclear stability; and on enhanced safeguards against nuclear proliferation.

These negotiations have been valuable channels of communications between East and West; they raised mankind's hopes that the serious differences of political philosophy and ideology between us did not have to lead to war.

Some of these negotiations have now been interrupted by the Soviet Union. This tells us a great deal about which side is eager for progress. Nevertheless, the door remains open. We are ready for negotiations whenever the Soviet Union is prepared. In this regard, I am pleased to announce that, in coming months at the conference on disarmament in Geneva, the U.S. negotiators will be presenting a draft treaty for the complete and verifiable elimination of chemical weapons on a global basis. We will work in a similar spirit for early progress in other arms control forums, once resumed.

Arms control initiatives are part of a broader American effort to build a more stable, consistent, and constructive East-West relationship—a relationship not marked by the abrupt shifts, exaggerated expectations, and dashed hopes of the last decade.

While pursuing arms control, we have also sought to engage the Soviet Union in a candid dialogue on those regional crises and conflicts that threaten peace and poison our relationship. At the same time, we have proposed a range of bilateral measures to enhance both crisis communication and

Human Rights and the Moral Dimension of U.S. Foreign Policy

Secretary Shultz
Creve Coeur Club
of Illinois
Peoria
February 22, 1984

I would like to speak to you today about human rights and the moral dimension of U.S. foreign policy.

Americans have always been an introspective people. Most other nations do not go through the endless exercise of trying to analyze themselves as we do. We are always asking what kind of people we are. This is probably a result of our history. Unlike most other nations, we are not defined by an ancient common tradition or heritage or by ethnic homogeneity. Unlike most other countries, America is a nation consciously created and made up of men and women from many different cultures and origins. What unifies us is not a common origin but a common set of ideals: freedom, constitutional democracy, racial and religious tolerance. We Americans thus define ourselves not by where we come from but by where we are headed; our goals, our values, our principles, which mark the kind of society we strive to create.

This accounts in good part, I believe, for the extraordinary vitality of this country. Democracy is a great liberator of the human spirit, giving free rein to the talents and aspirations of individuals, offering every man and woman the opportunity to realize his or her fullest potential. This ideal of freedom has been a beacon to immigrants from many lands.

We are a people that never felt bound by the past but always had confidence that we could shape our future. We also set high standards for ourselves. In our own society, from Jefferson to Lincoln to the modern day, there have always been keepers of our conscience who measured our performance against our ideals and insisted

that we do better. The revolution in civil rights is perhaps the most dramatic recent example, and it has given impetus to other revolutions, such as in women's rights. We are blessed with a society that is constantly renewing and improving itself by virtue of the standards it has set.

In foreign affairs, we do the same. In the 19th century, when we had the luxury of not being actively involved in world politics, we, nevertheless, saw ourselves as a moral example to others. We were proud when liberators like Simon Bolivar in Latin America or Polish patriots in Europe invoked the ideals of the American Revolution. In the 20th century, since Woodrow Wilson, we have defined our role in the world in terms of moral principles that we were determined to uphold and advance. We have never been comfortable with the bare concept of maintaining the balance of power, even though this is clearly part of our responsibility.

Americans can be proud of the good we have accomplished in foreign affairs.

- We have fought and sacrificed for the freedom of others.
- We helped Europe and Japan rebuild after World War II.
- We have given generously to promote economic development.
- We have been a haven for refugees.

Thus, moral values and a commitment to human dignity have been not an appendage to our foreign policy but an essential part of it, and a powerful impulse driving it. These values are the very bonds that unite us with our closest allies, and they are the very issues that divide us from our adversaries. The fundamental difference between East and West is not in economic or social policy, though those policies differ radically, but in the moral principles on which they are based. It is the difference between tyranny and freedom—an age-old struggle in which the United States never

national interest: political objectives, military security, economic management. All these other goals are important to people's lives and well-being. They all have moral validity, and they often confront us with real choices to make. As the strongest free nation, the United States has a complex responsibility to help maintain international peace and security and the global economic system.

At the same time, as one nation among many, we do not have the power to remake the planet. An awareness of our limits is said to be one of the lessons we learned from Vietnam. In any case, Americans are also a practical people and are interested in producing results. Foreign policy thus often presents us with moral issues that are not easy to resolve. Moral questions are more difficult to answer than other kinds of questions, not easier. How we respond to these dilemmas is a real test of our maturity and also of our commitment.

Approaches to Human Rights Policy

There are several different ways of approaching human rights issues, and some are better than others. One thing should be clear. Human rights policy should not be a formula for escapism or a set of excuses for evading problems. Human rights policy cannot mean simply dissociating or distancing ourselves from regimes whose practices we find deficient. Too much of what passes for human rights policy has taken the form of shunning those we find do not live up to internationally accepted standards. But this to me is a "cop-out"; it seems more concerned with making us feel better than with having an impact on the situation we deplore. It is really a form of isolationism. If some liberals advocate cutting off relationships with right-wing regimes—and some conservatives seek to cut off dealings with left-wing regimes—we could be left with practically no foreign policy at all. This is not my idea of how to advance the cause of

proach derives from theories of American guilt, originating in our domestic debate over Vietnam. There are those eager to limit or restrain American power because they concluded from Vietnam that any exercise of American power overseas was bound to end in disaster or that America was itself a supporter or purveyor of evil in the world. Human rights policy was seen by some as a way of restricting American engagement abroad. Perverse-ly, in this way of thinking, a government friendly to us is subjected to more exacting scrutiny than others; our security ties with it are attacked; once such a government faces an internal or external threat, its moral defects are spotlighted as an excuse to desert it. This is not my view of human rights policy either.

At issue here is not so much a tactical disagreement over human rights policy but fundamentally different conceptions of America and its impact on the world. What gives passion to this human rights debate is that it is a surrogate for a more significant underlying contest over the future of American foreign policy.

There should be no doubt of President Reagan's approach—not isolationism or guilt or paralysis but, on the contrary, a commitment to active engagement, confidently working for our values as well as our interests in the real world, acting proudly as the champion of freedom. The President has said that "human rights means working at problems, not walking away from them." If we truly care about our values, we must be engaged in their defense—whether in Afghanistan and Poland, the Philippines and El Salvador, or Grenada. This is the President's philosophy: We are proud of our country and of what it stands for. We have confidence in our ability to do good. We draw our inspiration from the fundamental decency of the American people. We find in our ideals a star to steer by, as we try to move our ship of state through the troubled waters of a complex world.

So we consider ourselves activists in the struggle for human rights. As the President declared to the British Parliament on June 8, 1982: "We must be staunch in our conviction that freedom is not the sole prerogative of a lucky few but the inalienable and universal right of all human beings."

Human Rights Policy

That was philosophy. But on a daily basis, we face practical issues and problems of human rights policy. On one level, human rights policy aims at specific goals. We try, for example, to use our influence to improve judicial or police practices in many countries—to stop murders, to eliminate torture or brutality, to obtain the release of dissidents or political prisoners, to end persecution on racial or other grounds, to permit free emigration, and so forth. Many American officials, including Vice President Bush and myself, have gone to El Salvador and denounced the death squads not only privately but publicly—all of which is having a positive effect. We have sought to promote an honest and thorough investigation of the murder of Philippine opposition leader Benigno Aquino.

President Reagan, during his visit to the Republic of Korea last November, publicly stated his belief in the importance of political liberalization. But we have also made our thoughts on specific cases known privately, and several of these approaches have been successful. In our contacts with the Soviets, we have pressed for the release of human rights activists and for freedom of emigration. There are literally hundreds of such examples of American action. Sometimes we make progress; sometimes we do not—proving only that we still have much to do. In this context, I must pay tribute to your distinguished Senator, Chuck Percy [Sen. Charles H. Percy, R.-Ill.]. No one in the Senate has played a more important role than Chuck Percy in the struggle for the right of emigration for Soviet Jewry and other oppressed peoples, for religious freedoms, and for the release of prisoners of conscience.

The techniques of exerting our influence are well known. We try, without letup, to sensitize other governments to human rights concerns. Every year we put on the public record a large volume of country reports examining the practices of other countries in thorough and candid detail—the rights of citizens to be free from violations of the integrity of the person and the rights of citizens to enjoy basic civil and political liberties. The 1984 report has just been published—nearly 1,500 pages of facts about human rights around the world, something no other country undertakes.

report thoroughly reviewing the record of Soviet and East European compliance with the human rights provisions of the Helsinki Final Act.

Wherever feasible, we try to ameliorate abuses through the kind of frank diplomatic exchanges often referred to as "quiet diplomacy." But where our positive influence is minimal, or where other approaches are unavailing, we may have no choice but to use other, more concrete kinds of leverage with regimes whose practices we cannot accept.

We may deny economic and military assistance, withhold diplomatic support, vote against multilateral loans, refuse licenses for crime control equipment, or take other punitive steps. Where appropriate, we resort to public pressures and public statements denouncing such actions as we have done in the case of the Salvadoran death squads, Iranian persecution of the Bahais, South African apartheid, and Soviet repression in Afghanistan.

Multilateral organizations are another instrument of our human rights policy. In the UN Commission on Human Rights, we supported a resolution criticizing martial law in Poland—the first resolution there against a Communist country. The United States has been active and vigorous in regional conferences and organizations, such as the Helsinki process and the Inter-American Commission on Human Rights. We regret that some multilateral organizations have distorted the purposes they were designed to serve—such as UNESCO [UN Educational, Scientific, and Cultural Organization], which has not been living up to its responsibility to defend freedom of speech, intellectual freedom, and human rights in general.

Friendly governments are often more amenable to traditional diplomacy than to open challenge, and we therefore prefer persuasion over public denunciations. But if we were never seriously concerned about human rights abuses in friendly countries, our policy would be one-sided and cynical.

Thus, while the Soviet Union and its proxies present the most profound and far-reaching danger to human rights, we cannot let it appear—falsely—that this is our only human rights concern. It is not.

...of Human Rights Policy
...there are limits to our ability to
...the world. In the end, sovereign
...governments will make their own deci-
...sions, despite external pressure. Where
...a system of government is built on
...repression, human rights will inevitably
...be subordinated to the perceived re-
...quirements of political survival. The
...sheer diversity and complexity of other
...nations' internal situations, and the
...problem of coping with them in a
...dangerous world, are additional limits.
...few we use our influence and how we
...reconcile political and moral interests
...are questions that call not for dogmatic
...conclusions but for painstaking, sober
...analysis—and no little humility.

The dilemmas we face are many.
What, for instance, is the relationship
between human rights concerns and the
considerations of regional or interna-
tional security on which the independ-
ence and freedom of so many nations
directly depend? This issue recurs in a
variety of forms.

There are countries whose internal
practices we sometimes question but
which face genuine security threats from
outside—like South Korea—or whose
cooperation with us helps protect the
security of scores of other nations—like
the Philippines. But it is also true that in
many cases a concern for human rights
on our part may be the best guarantee
of a long-term friendly relationship with
that country. There are countries whose
long-term security will probably be
enhanced if they have a more solid base
of popular support and domestic unity.
Yet there are also cases where regional
security weakens the chances for
liberalization and where American
assurance of security support provides a
better climate for an evolution to
democracy. Human rights issues occur
in a context, and there is no simple
answer.

In the Middle East, to take a very
different example, we have no doubt of
Israel's commitment to human rights
and democratic values. It is those very
values we appeal to when we express
our concern for the human rights and
quality of life of the Palestinian people
in the West Bank and Gaza—a concern
that exists side by side with our
understanding of Israel's security needs
and our conviction that the basic prob-
lem can only be resolved through
negotiation.

...we might bring. If we distance ourselves
from a friendly but repressive govern-
ment, in a fluid situation, will this help
strengthen forces of moderation, or
might it make things worse? Pressures
on human rights grounds against the
Shah, Somoza, or South Vietnam had
justification but may also have ac-
celerated a powerful trend of events
over which we had little influence, end-
ing up with regimes that pose a far
greater menace not only to human
rights in their own country but also to
the safety and freedom of all their
neighbors.

In some countries, harsh measures
of repression have been caused—indeed,
deliberately provoked—by terrorists,
who waged deliberate warfare not only
against the institutions of society—
political leaders, judges, administrators,
newspaper editors, as well as against
police and military officials—but against
ordinary citizens. Terrorism itself is a
threat to human rights and to the basic
right to civil peace and security which a
society owes its citizens. We deplore all
governmental abuses of rights, whatever
the excuse. But we cannot be blind to
the extremist forces that pose such a
monumental and increasing threat to
free government precisely because
democracies are not well equipped to
meet this threat. We must find lawful
and legitimate means to protect civilized
life itself from the growing problem of
terrorism.

The role of Congress is another
question. There is no doubt that con-
gressional concerns and pressures have
played a very positive role in giving im-
petus and backing to our efforts to in-
fluence other governments' behavior.
This congressional pressure can
strengthen the hand of the executive
branch in its efforts of diplomacy. At
the same time, there can be complica-
tions if the legislative instrument is too
inflexible or heavy-handed, or, even
more, if Congress attempts to take on
the administrative responsibility for ex-
ecuting policy. Legislation requires that
we withhold aid in extreme circum-
stances. If narrowly interpreted, this
can lead us rapidly to a "stop-go" policy
of fits and starts, all or nothing—making
it very difficult to structure incentives in
a way that will really fulfill the law's
own wider mandate: to "promote and en-
courage increased respect for human
rights and fundamental freedoms. . . ."

In the case of El Salvador, the

...fectives. Sometimes a change in ap-
proach is the most worthwhile course.
We are ready to work cooperatively
with the Congress on this issue, but it
should be clear that the answers are not
simple.

Finally, the phenomenon of
totalitarianism poses special problems.
Sociologists and political theorists have
recognized for decades that there is a
difference between traditional, in-
digenous dictatorships and the more per-
vasively repressive totalitarian states,
fortified by modern technology, mass
parties, and messianic ideology. Certain-
ly, both are alien to our democratic
ideals. But in this year of George
Orwell, 1984, we cannot be oblivious to
the new 20th century phenomenon.

Suppression of religion because it
represents an autonomous force in a
society; abuse of psychiatric institutions
as instruments of repression; the use of
prison labor on a mass scale for in-
dustrial construction—these and other
practices are typical of the modern
Marxist-Leninist state. Totalitarian
regimes pose special problems not only
because of their more systematic and
thorough repression but also because of
their permanence and their global ambi-
tions. In the last decade we have seen
several military regimes and dictator-
ships of the right evolve into
democracies—from Portugal, Spain, and
Greece to Turkey and Argentina. No
Communist state has evolved in such a
manner—though Poland attempted to.

And the Soviet Union, most impor-
tantly and uniquely, is driven not only
by Russian history and Soviet state in-
terest but also by what remains of its
revolutionary ideology to spread its
system by force, backed up by the
greatest military power of any tyranny
in history.

I raise these issues not to assert
answers but to pose questions. These
are complexities that a truly moral na-
tion must face up to if its goal is to help
make the world a better place.

Human Rights and Democracy

The Reagan Administration approaches
the human rights question on a deeper
level. Responding to specific juridical
abuses and individual cases, as they hap-
pen, is important, but they are really the
surface of the problem we are dealing
with. The essence of the problem is the

but also to understand, and seek to shape, the basic structural conditions in which human rights are more likely to flourish.

This is why President Reagan has placed so much emphasis on democracy: on encouraging the building of pluralistic institutions that will lead a society to evolve toward free and democratic forms of government. This is long-term, positive, active strategy for human rights policy.

It is not a utopian idea at all. For decades, the American labor movement has worked hard in many countries assisting the growth and strengthening of free labor unions—giving support and advice, teaching the skills of organizing and operating. In Western Europe after World War II, it was the free labor unions, helped in many cases by free unions here, that prevented Communist parties from taking over in several countries. Today, free political parties in Western Europe give similar fraternal assistance to budding parties and political groups in developing countries, helping these institutions survive or grow in societies where democratic procedures are not as firmly entrenched as in our own.

The new National Endowment for Democracy, proposed by President Reagan and now funded with the bipartisan support of the Congress, represents an imaginative and practical American effort to help develop the tools of democracy. Just as our traditional aid programs try to teach economic and agricultural skills, so our new programs will try to transfer skills in organizing elections, in campaigning, in legal reform, and other skills which we take for granted but which are basic to free, pluralistic societies.

Through the endowment, our two major political parties, along with labor, business, and other private groups, will assist countries and groups that seek to develop democratic institutions and practices in their own societies. The President is also directing AID (Agency for International Development), USAID (U.S. Information Agency), and other agencies to strengthen their programs for democracy, such as support for free labor movements, training of journalists, and strengthening judicial institutions and procedures. Sen. Percy also deserves particular credit here for his cosponsorship of the Kassebaum-Percy

to train African magistrates in Zimbabwe, provide technical help to the Liberian Constitution Commission, help publish a revised penal code in Zaire, help finance the education and research program of the Inter-American Institute of Human Rights in Costa Rica, or help provide international observers for free elections in El Salvador—but these programs help create the institutional preconditions for democracy. Democracy and the rule of law are the only enduring guarantee of human rights.

We should never lose faith in the power of the democratic idea. Democracies may be a minority in the world at large, but it is not true that they must always be so. Freedom is not a culture-bound Western invention but an aspiration of peoples everywhere—from Barbados to Botswana, from India to Japan.

In Latin America, for example, where the news is so much dominated by conflict, there is, in fact, an extraordinary trend toward democracy. Twenty-seven nations of Latin America and the Caribbean are either democratic or are formally embarked on a transition to democracy—representing almost 90% of the region's population, as compared with some 50% less than 10 years ago. And the trend has been accelerating.

Between 1976 and 1980, two Latin American nations, Ecuador and Peru, elected civilian presidents who successfully replaced military presidents. Since 1981, however, El Salvador, Honduras, Bolivia, and most recently Argentina have moved from military rule to popularly elected civilian governments.

Brazil is far along the same path. The people of Grenada have had restored to them the right to be the arbiters of their own political future. Uruguay has a timetable for a transition to democracy, and its parties have returned to independent activity.

Pressure for return to civilian rule is being felt in Chile and Guatemala. This leaves only Cuba, a Marxist-Leninist state; Nicaragua, which has been steadily moving in that direction; and a handful of dictatorships outside this pattern.

This trend toward democracy, which reflects the most profound aspirations of the people of Latin America, has received wholehearted and effective encouragement from the Reagan Administration. Dictatorship in any form, leftist or rightist, is anathema in this

vision of that republic is evident in the strong popular pressure for free elections and a revitalized Congress. The government has begun to respond to these aspirations, and we are encouraging it to continue this hopeful process so important to the long-term stability of the Philippines. Likewise in the Republic of Korea, we are encouraged by President Chun's [Doo Hwan] commitment to undertake in the next few years the first peaceful, constitutional transfer of power in Korea's modern history.

The Moral Commitment of the United States

A policy dedicated to human rights will always face hard choices. In El Salvador, we are supporting the moderates of the center, who are under pressure from extremists of both right and left; if we withdrew our support, the moderates would be the victims, as would be the cause of human rights in that beleaguered country. The road will be long and hard, but we cannot walk away from our principles.

The cause of human rights is at the core of American foreign policy because it is central to America's conception of itself. These values are hardly an American invention, but America has perhaps been unique in its commitment to base its foreign policy on the pursuit of such ideals. It should be an everlasting source of pride to Americans that we have used our vast power to such noble ends. If we have sometimes fallen short, that is not a reason to flagellate ourselves but to remind ourselves of how much there remains to do.

This is what America has always represented to other nations and other peoples. But if we abandoned the effort, we would not only be letting others down, we would be letting ourselves down.

Our human rights policy is a pragmatic policy which aims not at striking poses but at having a practical effect on the well-being of real people. It is a tough-minded policy, which faces the world as it is, not as we might wish or imagine it to be. At the same time, it is an idealistic policy, which expresses the continuing commitment of the United States to the cause of liberty and the alleviation of suffering. It is precisely this combination of practicality and

A New Opportunity for Peace in the Middle East

President Reagan
Televised Address
to the Nation
Burbank
September 1, 1982

My fellow Americans, today has been a day that should make us proud. It marked the end of the successful evacuation of the Palestine Liberation Organization (PLO) from Beirut, Lebanon. This peaceful step could never have been taken without the good offices of the United States and, especially, the truly heroic work of a great American diplomat, Ambassador Philip Habib [President's special emissary to the Middle East]. Thanks to his efforts, I am happy to announce that the U.S. Marine contingent helping to supervise the evacuation has accomplished its mission. Our young men should be out of Lebanon within 2 weeks. They, too, have served the cause of peace with distinction, and we can all be very proud of them.

But the situation in Lebanon is only part of the overall problem of conflict in the Middle East. So, over the past 2 weeks, while events in Beirut dominated the front page, America was engaged in a quiet, behind-the-scenes effort to lay the groundwork for a broader peace in the region. For once, there were no premature leaks as U.S. diplomatic missions traveled to Mid-East capitals, and I met here at home with a wide range of experts to map out an American peace initiative for the long-suffering peoples of the Middle East, Arab and Israeli alike.

It seemed to me that, with the agreement in Lebanon, we had an opportunity for a more far-reaching peace effort in the region, and I was determined to seize that moment. In the words of the scripture, the time had come to "follow after the things which make for peace."

U.S. Involvement

Tonight, I want to report to you on the steps we have taken, and the prospects they can open up for a just and lasting peace in the Middle East. America has long been committed to bringing peace to this troubled region. For more than a generation, successive U.S. administrations have endeavored to develop a fair and workable process that could lead to a true and lasting Arab-Israeli peace. Our involvement in the search for Mid-East peace is not a matter of preference, it is a moral imperative. The strategic importance of the region to the United States is well known.

But our policy is motivated by more than strategic interests. We also have an irreversible commitment to the survival and territorial integrity of friendly states. Nor can we ignore the fact that the well-being of much of the world's economy is tied to stability in the strife-torn Middle East. Finally, our traditional humanitarian concerns dictate a

continuing effort to peacefully resolve conflicts.

When our Administration assumed office in January 1981, I decided that the general framework for our Middle East policy should follow the broad guidelines laid down by my predecessors. There were two basic issues we had to address. First, there was the strategic threat to the region posed by the Soviet Union and its surrogates, best demonstrated by the brutal war in Afghanistan; and, second, the peace process between Israel and its Arab neighbors. With regard to the Soviet threat, we have strengthened our efforts to develop with our friends and allies a joint policy to deter the Soviets and their surrogates from further expansion in the region and, if necessary, to defend against it. With respect to the Arab-Israeli conflict, we have embraced the Camp David framework as the only way to proceed. We have also recognized, however, that solving the Arab-Israeli conflict, in and of



Photo by Pete Souza

Our first objective was to insure the successful fulfillment of the Egyptian-Israeli Peace Treaty. This was achieved with the peaceful return of the Sinai to Egypt in April 1982. To accomplish this, we worked hard with our Egyptian and Israeli friends, and eventually with other friendly countries, to create the multinational force which now operates in the Sinai.

Throughout this period of difficult and time-consuming negotiations, we never lost sight of the next step of Camp David: autonomy talks to pave the way for permitting the Palestinian people to exercise their legitimate rights. However, owing to the tragic assassination of President Sadat and other crises in the area, it was not until January 1982 that we were able to make a major effort to renew these talks. Secretary of State Haig and Ambassador Fairbanks [Richard Fairbanks, Special Negotiator for the Middle East Peace Process] made three visits to Israel and Egypt early this year to pursue the autonomy talks. Considerable progress was made in developing the basic outline of an American approach which was to be presented to Egypt and Israel after April.

The successful completion of Israel's withdrawal from Sinai and the courage shown on this occasion by Prime Minister Begin and President Mubarak in living up to their agreements convinced me the time had come for a new American policy to try to bridge the remaining differences between Egypt and Israel on the autonomy process. So, in May, I called for specific measures and a timetable for consultations with the Governments of Egypt and Israel on the next steps in the peace process. However, before this effort could be launched, the conflict in Lebanon preempted our efforts. The autonomy talks were basically put on hold while we sought to untangle the parties in Lebanon and still the guns of war.

The Lebanon war, tragic as it was, has left us with a new opportunity for Middle East peace. We must seize it now and bring peace to this troubled area so vital to world stability while there is still time. It was with this strong conviction that over a month ago, before the present negotiations in Beirut had been completed, I directed Secre-

to strengthen chances for peace in the Middle East. We have consulted with many of the officials who were historically involved in the process, with Members of the Congress, and with individuals from the private sector; and I have held extensive consultations with my own advisers on the principles I will outline to you tonight.

The evacuation of the PLO from Beirut is now complete. And we can now help the Lebanese to rebuild their war-torn country. We owe it to ourselves, and to posterity, to move quickly to build upon this achievement. A stable and revived Lebanon is essential to all our hopes for peace in the region. The people of Lebanon deserve the best efforts of the international community to turn the nightmares of the past several years into a new dawn of hope.

Resolving the Root Causes of Conflict

But the opportunities for peace in the Middle East do not begin and end in Lebanon. As we help Lebanon rebuild, we must also move to resolve the root causes of conflict between Arabs and Israelis. The war in Lebanon has demonstrated many things, but two consequences are key to the peace process:

First, the military losses of the PLO have not diminished the yearning of the Palestinian people for a just solution of their claims; and

Second, while Israel's military successes in Lebanon have demonstrated that its armed forces are second to none in the region, they alone cannot bring just and lasting peace to Israel and her neighbors.

The question now is how to reconcile Israel's legitimate security concerns with the legitimate rights of the Palestinians. And that answer can only come at the negotiating table. Each party must recognize that the outcome must be acceptable to all and that true peace will require compromises by all.

So, tonight I am calling for a fresh start. This is the moment for all those directly concerned to get involved—or lend their support—to a workable basis for peace. The Camp David agreement remains the foundation of our policy. Its

• I call on Israel to make clear that the security for which she yearns can only be achieved through genuine peace, a peace requiring magnanimity, vision, and courage.

• I call on the Palestinian people to recognize that their own political aspirations are inextricably bound to recognition of Israel's right to a secure future.

• And I call on the Arab states to accept the reality of Israel and the reality that peace and justice are to be gained only through hard, fair, direct negotiation.

In making these calls upon others, I recognize that the United States has a special responsibility. No other nation is in a position to deal with the key parties to the conflict on the basis of trust and reliability.

The time has come for a new realism on the part of all the peoples of the Middle East. The State of Israel is an accomplished fact; it deserves unchallenged legitimacy within the community of nations. But Israel's legitimacy has thus far been recognized by too few countries and has been denied by every Arab state except Egypt. Israel exists; it has a right to exist in peace behind secure and defensible borders; and it has a right to demand of its neighbors that they recognize those facts.

I have personally followed and supported Israel's heroic struggle for survival ever since the founding of the State of Israel 34 years ago. In the pre-1967 borders, Israel was barely 10 miles wide at its narrowest point. The bulk of Israel's population lived within artillery range of hostile Arab armies. I am not about to ask Israel to live that way again.

The war in Lebanon has demonstrated another reality in the region. The departure of the Palestinians from Beirut dramatizes more than ever the homelessness of the Palestinian people. Palestinians feel strongly that their cause is more than a question of refugees. I agree. The Camp David agreement recognized that fact when it spoke of the legitimate rights of the Palestinian people and their just requirements. For peace to endure, it must involve all those who have been most deeply affected by the conflict. Only through broader participation in

achieve a secure peace.

New Proposals

These then are our general goals. What are the specific new American positions, and why are we taking them?

In the Camp David talks thus far, both Israel and Egypt have felt free to express openly their views as to what the outcome should be. Understandably, their views have differed on many points.

The United States has thus far sought to play the role of mediator; we have avoided public comment on the key issues. We have always recognized—and continue to recognize—that only the voluntary agreement of those parties most directly involved in the conflict can provide an enduring solution. But it has become evident to me that some clearer sense of America's position on the key issues is necessary to encourage wider support for the peace process.

First, as outlined in the Camp David accords, there must be a period of time during which the Palestinian inhabitants of the West Bank and Gaza will have full autonomy over their own affairs. Due consideration must be given to the principle of self-government by the inhabitants of the territories and to the legitimate security concerns of the parties involved.

The purpose of the 5-year period of transition, which would begin after free elections for a self-governing Palestinian authority, is to prove to the Palestinians that they can run their own affairs and that such Palestinian autonomy poses no threat to Israel's security.

The United States will not support the use of any additional land for the purpose of settlements during the transition period. Indeed, the immediate adoption of a settlement freeze by Israel, more than any other action, could create the confidence needed for wider participation in these talks. Further settlement activity is in no way necessary for the security of Israel and only diminishes the confidence of the Arabs that a final outcome can be freely and fairly negotiated.

I want to make the American position well understood: The purpose of this transition period is the peaceful and orderly transfer of authority from Israel to the Palestinian inhabitants of the

so-called occupied territories. It is not to be achieved by the formation of an independent Palestinian state in those territories. Nor is it achievable on the basis of Israeli sovereignty or permanent control over the West Bank and Gaza.

So the United States will not support the establishment of an independent Palestinian state in the West Bank and Gaza, and we will not support annexation or permanent control by Israel.

There is, however, another way to peace. The final status of these lands must, of course, be reached through the give-and-take of negotiations. But it is the firm view of the United States that self-government by the Palestinians of the West Bank and Gaza in association with Jordan offers the best chance for a durable, just and lasting peace.

We base our approach squarely on the principle that the Arab-Israeli conflict should be resolved through negotiations involving an exchange of territory for peace. This exchange is enshrined in U.N. Security Council Resolution 242, which is, in turn, incorporated in all its parts in the Camp David agreements. U.N. Resolution 242 remains wholly valid as the foundation stone of America's Middle East peace effort.

It is the United States' position that—in return for peace—the withdrawal provision of Resolution 242 applies to all fronts, including the West Bank and Gaza.

When the border is negotiated between Jordan and Israel, our view on the extent to which Israel should be asked to give up territory will be heavily affected by the extent of true peace and normalization and the security arrangements offered in return.

Finally, we remain convinced that Jerusalem must remain undivided, but its final status should be decided through negotiations.

In the course of the negotiations to come, the United States will support positions that seem to us fair and reasonable compromises and likely to promote a sound agreement. We will also put forward our own detailed proposals when we believe they can be helpful. And, make no mistake, the United States will oppose any proposal—from any party and at any point in the negotiating process—that threatens the security of Israel. America's commitment to the security of Israel is ironclad. And, I might add, so is mine.

I am convinced that these proposals can bring justice, bring security, and bring durability to an Arab-Israeli peace. The United States will stand by these principles with total dedication. They are fully consistent with Israel's security requirements and the aspirations of the Palestinians. We will work hard to broaden participation at the peace table as envisaged by the Camp David accords. And I fervently hope that the Palestinians and Jordan, with the support of their Arab colleagues, will accept this opportunity.

Tragic turmoil in the Middle East runs back to the dawn of history. In our modern day, conflict after conflict has taken its brutal toll there. In an age of nuclear challenge and economic interdependence, such conflicts are a threat to all the people of the world, not just the Middle East itself. It is time for us all—in the Middle East and around the world—to call a halt to conflict, hatred, and prejudice; it is time for us all to launch a common effort for reconstruction, peace, and progress.

It has often been said—and regretably too often been true—that the story of the search for peace and justice in the Middle East is a tragedy of opportunities missed. In the aftermath of the settlement in Lebanon we now face an opportunity for a broader peace. This time we must not let it slip from our grasp. We must look beyond the difficulties and obstacles of the present and move with fairness and resolve toward a brighter future. We owe it to ourselves—and to posterity—to do no less. For if we miss this chance to make a fresh start, we may look back on this moment from some later vantage point and realize how much that failure cost us all.

These, then, are the principles upon which American policy toward the Arab-Israeli conflict will be based. I have made a personal commitment to see that they endure and, God willing, that they will come to be seen by all reasonable, compassionate people as fair, achievable, and in the interests of all who wish to see peace in the Middle East.

Tonight, on the eve of what can be a dawning of new hope for the people of the troubled Middle East—and for all the world's people who dream of a just and peaceful future—I ask you, my fellow Americans, for your support and your prayers in this great undertaking. ■

Middle East Negotiation and Reconciliation

**Secretary Shultz
Business Council
Hot Springs, Va.
May 13, 1983**

The Middle East has been the focus of almost constant American diplomatic efforts for more than a decade now. I don't have to educate this group in the reasons why the Middle East is so important to the United States. It is a region of vital economic importance and strategic location; we have many friendships and relationships in the area, including a deep moral commitment to Israel and many friendships and ties with moderate Arab countries. And the United States is in a unique position to promote progress in the great task of reconciliation between Israel and its Arab neighbors.

This last point is worth emphasizing. Sometimes foreign policy seems a frustrating endeavor; we have so many problems on our plate, and some Americans must wonder whether our global exertions are worthwhile. They should have been with me in the Middle East. In the Middle East, we see the remarkable phenomenon of Arabs and Israelis, locked in conflict for generations, looking to the United States as the one great power able to help them find a way out. Both sides trust our fairness, they respect our good faith, and they find reassurance in our participation as they face the risks and challenges of peace. Even those who disagree with us on many issues want us involved as a counterbalance to others whose motives are more suspect.

This special trust in the United States is the main reason for the success we have had. I found it deeply moving to travel in the Middle East and see the admiration for America and the faith in America that peoples and governments in the Middle East show so openly. I might say an awful lot of it comes from the experience of people in this area with the American business community and the people that we have out there who, I think, are among the very best ambassadors that we have anywhere. They know that the United States is not

but fair. It is an extraordinary tribute to this country—it is a tribute to the basic decency and generosity and goodness of the American people. I can tell you I was very proud to be there as Secretary of State of the United States of America.

Let me say a little bit about my trip to the Middle East and about the negotiation that was just concluded last week between Israel and Lebanon.

The Lesson of the Egyptian-Israeli Peace Treaty

By a symbolic coincidence, my trip began in Egypt at the time of the first anniversary of the final return of the Sinai to Egypt under the terms of the peace treaty with Israel. There is a lesson in this symbolism, which I emphasized over and over again: Egypt recovered its sovereign territory through a negotiation with Israel. The process of negotiation worked in a way that violence or rejectionism did not and cannot work. Egypt and Israel together vindicated the principle of solving problems through peaceful means. It is a cardinal principal of a decent world order, and the success of that process is an instructive example for others.

It is, of course, the principle that we are striving now to vindicate again in Lebanon.

The Lebanon-Israel Negotiation

The warfare that we saw last summer on our television screens was only the culmination of many years of bloodshed and turmoil in Lebanon. Lebanon is a beautiful country, with a proud and capable people who have long played a productive role in the economy of that part of the world. The Lebanese have had their internal political difficulties, but the delicate political balance within Lebanon was shattered during the 1970s largely by the involvement of external military forces—the Palestine Liberation Organization (PLO), the Syrians, and the Israelis.

The war in Lebanon last summer taught its own kind of lesson. There was a profound yearning, particularly in

represented by Ambassador Philip Habib, President Reagan's special emissary, negotiated a cease-fire in Beirut and the withdrawal of PLO fighters from the Beirut area. U.S. Marines took up positions around Beirut to provide a sense of security. And let me tell you when you land there and you hear popping away going on all the time, boy, do those Marines look good. [Laughter] Particularly that Col. Meade: he's about 10 feet tall. You're breaking your neck looking up at him, but he sure looks good.

I might say, the last time we stopped in Beirut happened to be Mother's Day. I went up to the Presidential Palace to talk with President Gemayel, and Obie [Mrs. Shultz] decided—she said, "Well, it's Mother's Day. There are probably a lot of lonely Marines around here, and I'm going to appoint myself Mother." So she went around to all of the Marines and called on them and pepped them up. It was sort of nice, I think. [Applause]

At any rate, then a new government in Lebanon, headed by its impressive young President—don't sell this guy short—Amin Gemayel, set as its first priority the restoration of a strong central government exercising full sovereign control over all of its territory. Lebanon sought the withdrawal of all external forces from the country. Israel sought reassurance that Lebanese territory would not become again a staging ground for terrorist attacks on the cities, towns, and farms of northern Israel.

Last December, negotiations began between Lebanon and Israel on the withdrawal of Israeli forces and the creation of a new relationship between Lebanon and Israel. Lebanon thus became the second Arab state, after Egypt, to engage in direct negotiations with Israel.

Again, the United States played a pivotal role. Phil Habib, assisted by Ambassador Morris Draper, shuttled back and forth and worked with the parties to encourage and support an agreement. After 4 months of talks, much progress has been made, but the negotiations

...the people that remained. President Reagan decided it was time for me to go out there. I did, and I spent about 10 days shuttling between Beirut and Jerusalem to hammer out the final compromises.

It was clear to me when I got there that both sides wanted a solution. Sometimes in a negotiation, you know you're not going to get anywhere because the people don't want it. In other cases, if you've had any experience with it, you can just feel it; people want to have success. You can feel that.

Many people did have doubts, but Israel really wanted to withdraw from Lebanon, and you heard that a great deal. In fact, both sides were negotiating in good faith over issues that were objectively very difficult. Both sides knew that a solution was necessary.

In that setting, I tried to put the point in a dinner toast the first night in Jerusalem. One of the things I've learned in this field of diplomacy is toasts are a big deal [laughter], and you really concentrate on the toasts and try to say something. What I said was, the issues have been debated, analyzed, poured over, agonized over. Now is the time to resolve them. As the Bible tells us, to everything there is a season. There is a time to debate and a time to decide. Now, I said, is the time to decide, and the risks of failure are far greater than any of the risks of an agreement.

It was an extraordinary experience for me on a personal level. The Government and people of Israel, who have yearned so long for acceptance and for security, and the Government and people of Lebanon, who have yearned for an end to a decade of horror and destruction, behaved throughout 2 weeks of intense negotiation with consummate dignity and graciousness. So much was at stake for their countries, yet they treated me and my colleagues with the greatest of courtesy and friendship throughout. And they did not shrink from hard decisions.

A week ago today the Israeli Cabinet announced its acceptance in principle of the agreement as it then stood, which Lebanon had already accepted. It was a victory for statesmanship on both sides.

The agreement provides for withdrawal of Israeli forces, which is the essential first step toward Lebanon's

support Lebanon's ability to carry out its strong intention to keep the area free of terrorist activities.

I might say that was one of the big things going for us in the negotiation, that Israel wanted a secure southern Lebanon. And the Lebanese, who said, leave aside last summer's war, we've lost over a hundred thousand people; they said, if you don't think we want a secure country, you don't have to persuade us of that. So the Israelis and the Lebanese, who were not at war with each other, both wanted a secure zone, so that gave you something to work with.

In addition, there are provisions looking toward the improvement in mutual relations which both sides desire, reflecting the shared objective of living in peace side-by-side as neighbors.

The agreement has many, many technical provisions, of course, but its real meaning is much more than technical. It offers hope that Lebanon, after more than a decade of civil war and external interference, will recover its sovereignty, independence, and security.

It offers hope that the international boundary between the two countries will be a border of peace, security, and friendly relations. It proves once again, in the Arab-Israel conflict, that negotiations can achieve results.

As you may know, Israel is not prepared actually to withdraw its forces until Syrian and the remaining PLO forces also leave Lebanon. There will be a negotiation between Syria and Lebanon on the subject of Syrian withdrawal, and we have all been seeing some of the beginnings of that negotiation and positions being taken.

I know Amin Gemayel well enough to know that he will vigorously defend Lebanon's sovereign right to determine its own future. In fact, he was beginning to get a little feisty with everybody telling him what to do and saying, we're going to decide what's good for Lebanon and carry on from there. He and his colleagues are showing courage and statesmanship, and they deserve the wholehearted American support.

When Lebanon makes its sovereign decision, with backing from the main constituent groups in the Lebanese national consensus, which I believe they

respect to Lebanon. I was able to tell President Assad that the purpose of my mission was to start the process of restoring Lebanon's sovereignty over all its territory, and withdrawing all external forces which would enhance the security and well-being of all Lebanon's neighbors. The Israeli-Lebanese agreement was a necessary first step, fully consistent with the security of all countries in the area.

The Syrian Government, too, treated us all with great courtesy. I know that Syria, like Lebanon, will make its own sovereign decision on an issue so important to it. Both Syria and the United States regard a renewal of contacts and improved relations as in the mutual interest. And all parties will realize, I am sure, that the risks, if the withdrawal process fails, are greater than the risks of completing it. We are in touch with all the concerned countries, and we will try to assist as desired by the parties.

What we have already achieved, as I said before, is the essential first step. The American people can be proud of what is, in essence, their accomplishment. They can be proud of the Marines whose presence around Beirut give the people of Lebanon such a sense of assurance and confidence in the future.

There are risks in any diplomatic effort; there have been tragedies, such as the bombing of our Beirut embassy. I might say I spent a night in our Ambassador's residence and a few rounds went over. I learned later that some of the neighbors complained; they said, don't have him come back, he's bad for the neighborhood. [Laughter] But when you go and you look at our bombed-out embassy—of course, it's a very real physical tragedy—and then go and meet, as I did, with the people who are working for us there in temporary quarters and you realize the extent of losses—17 American lives, three times that number of Lebanese lives—the people there are still with us, the Lebanese sticking with us, and we have to say we have a shared sacrifice with them. But we also know that nothing significant is ever accomplished without risks, and sometimes sacrifice.

Americans are not a timid people. In the past generation this country has made an enormous contribution to the world's peace, stability, and well-being. Thus, we are being true to our heritage and to our moral responsibility. If those

could intimidate the United States and derail our efforts, they were grossly mistaken.

The Peace Process

Let me say a few words, finally, about our broader objectives of Middle East peace. Last September 1, President Reagan made a major proposal to bring Jordan and the Palestinians into direct negotiations with Israel to decide the future of the West Bank and the Gaza Strip. It is a fair and balanced proposal, which has its roots in the Camp David accords and UN Security Council Resolutions 242 and 338, which have been the bases of all our peace diplomacy in the Middle East over the last 15 years. It derives, as well, from the tragedy of Lebanon, as a signal of our determination to address one of the underlying problems of the Arab-Israeli conflict which had had a spillover effect on Lebanon.

I am pleased to be able to tell you, after my trip to the Middle East, that our friends in the Arab world are still supportive of President Reagan's initiative and are actively working to put together a positive Arab response. In our view, Arab support for King Hussein to step forward as interlocutor on the Palestinian question would create the best possibility for a fruitful negotiation. I am confident that Israel would respond positively to such a step, despite its negative reaction to the President's initiative last September.

The fate of the Palestinians living in the West Bank and Gaza is both a political problem and a humanitarian problem that cries out for the concerned attention of all people of good will. A particular responsibility rests now with the Arabs, who would do a grave disservice to the Palestinian people if they miss this precious opportunity to begin a negotiating process. Only through a negotiating process can the Palestinian people hope to achieve their legitimate rights and their just requirements. As Egypt and Lebanon have shown, negotiation works; violence and rejectionism get nowhere.

We have only made a beginning, but it is an important beginning. President Reagan, I know, is determined to continue his efforts to carry the Lebanese negotiations, and the peace process, for-

There is no more noble enterprise for our country to be engaged in. Here our strategic concerns and our moral concerns coincide; our tradition of leadership and our hopes for the future point in the same direction. It is a bipar-

Promoting Peace in the Middle East

**Secretary Shultz
Council of Jewish Federa-
tions and Welfare Funds
Atlanta
November 19, 1983**

Every Secretary of State becomes a Middle East expert very rapidly, whether he wants to or not. Usually his training is a process of ordeal by fire. But the process has a healthy way of bringing you back to the basics of foreign policy: the importance of standing by principles and commitments to friends; the virtue of courage and steadfastness in the face of challenges; the uses and limits of power as a factor in diplomacy; and the need for a moral compass to steer you on a steady course through turbulent waters.

Today, in the Middle East the United States is engaged on a variety of fronts. We are extending our cooperation with Israel. We are seeking to restore peace in Lebanon. We are trying to strengthen the forces of moderation in the Arab world. We are exploring new possibilities for progress in the peace process. We are attempting to contain the possibly dangerous consequences of the Iran-Iraq war.

It may seem a confusing kaleidoscope of problems, but there is a central core to our diplomacy, which pulls together all these issues and all our strategic, political, and moral concerns about the future of the Middle East. And that core is the effort to achieve a secure peace between Israel and its Arab neighbors. So all our activities, in whatever dimension of the Middle East, are geared in one way or another to that central goal.

tisan effort and an example of what this country can accomplish when Americans are united.

So, even though difficult days and weeks and months lie ahead, I look to the future with confidence. ■

And that goal itself has a deeper meaning. In the final analysis—behind all the code words about “just and comprehensive peace” and “secure and recognized boundaries”—we are talking about people and the quality of their lives. True peace is not measured only by legal or political criteria but in human terms: by whether individuals can live their lives and go about their business and raise their children without elemental fear for their personal safety. It means people's confidence that their community and their society have a future. It means a sense of opportunity and possibility, not fear of random danger or deliberate threat.

As the poet said, “no man is an island.” So the fate of others affects our own. No people understands this better than the Jewish people. Anti-Semitism in a faraway country; persecution of Jews in the Soviet Union, Iran, and Ethiopia; mindless denunciations of “Zionism as racism” in international forums; Katyusha rockets landing on the towns of northern Israel—these touch you deeply. No people understands better than you the fragility of the restraints that hold civilized society together, because no one knows better the profound inhumanity of which the darker recesses of human nature are capable.

Similarly, the people of Israel have struggled so long and so hard for peace with their neighbors; but then the first leader to make peace with them is assassinated. And Lebanon, the second moderate Arab country to negotiate an agreement with them, is right now under assault from Arab radicals precisely because it did so.

There should be no doubt of where the United States stands on any of these questions. The Jewish tradition is one of the principal sources of the values of our

...a symptom of the deeper...
...society; similarly, the vicious inter-
...national campaign against the existence
...Israel is a reflection of a much
...ideological assault on the in-
...terests, well-being, and principles of the
...free world. Therefore, when we
...concern ourselves with the fate of Israel,
...we are also concerning ourselves with
...the fate of the values that both we and
...Israel stand for.

In this spirit, I want to say a few
...words about our policy in Lebanon and
...about the broader subject of pro-
...moting peace between Israel and all its
...Arab neighbors.

The Agony of Lebanon

At stake in Lebanon are some of these
...basic values and some basic principles of
...international law and international
...morality:

- The principle that differences
among nations are to be settled by
reason and negotiation, not by the use
of threat of force; and
- The right of a small country to
decide for itself how to achieve its
sovereign objectives, free from outside
pressure, threat, or blackmail.

Lebanon is a proud and beautiful
country whose people have contributed
much to the world. Yet it has had a
complex and turbulent history. The roots
of enmity in that country go very deep.
Nevertheless, for many years Lebanon
thrived because political rivalries were
accommodated and a delicate balance
maintained. The yearning for peace, too,
runs deep in Lebanon.

But the delicate balance in Lebanon
was upset, primarily by the involvement
of outside, non-Lebanese forces—just as
today, the primary obstacle to the inter-
national reconciliation is the presence of out-
side, non-Lebanese forces.

The Palestinian terrorists, expelled
from Jordan in September 1970, came to
Lebanon and proceeded to do in
Lebanon what they had attempted to do
in Jordan. They turned southern
Lebanon into an armed camp which
became a state-within-a-state terrorizing
the local population; ultimately it
became a battleground. Raids and rocket
attacks on the towns and villages of
northern Israel became a common occur-
rence. Diplomacy did achieve a cease-
fire, but tension remained high. In any
case, Israel moved into Lebanon in 1982
with an announced intention to eradicate
the threat once and for all.

When the guns fell silent, the ter-

Lebanon and Israel to help them
negotiate a longer term solution to the
basic problem. Months of negotiation
produced the Lebanese-Israeli agree-
ment of last May 17, which provides for
total withdrawal of Israeli troops, ar-
rangements to assure the safety of the
people of northern Israel, and the oppor-
tunity for the Lebanese Government to
extend its sovereignty throughout its
territory and achieve reconciliation
among the country's many religious com-
munities.

But the agony of Lebanon continues.
The May 17 agreement has not yet been
implemented, largely because of Syria's
refusal to negotiate the withdrawal of
its own forces from Lebanon, reneging
on repeated pledges to do so once Israel
did so. No one questions that Syria has
legitimate security concerns with respect
to Lebanon. But Syria, unlike Israel, has
so far been unwilling to negotiate with
Lebanon over how to reconcile those
concerns with Lebanon's sovereign right
to decide its own destiny.

We are heartened by the willingness
of a broad spectrum of Lebanese leaders
finally to sit down with President
Gemayel at Geneva. We believe the
political process that they have begun
can start the urgent task of rebuilding
their country on the basis of an
equitable sharing of authority and
responsibility. This must be our first
priority. After so much suffering, the
people of Lebanon are entitled to it.
With patriotism, vision, and courage on
all sides, a political solution can be
achieved.

But we are realists: it is essential to
maintain an environment of stability and
security so that radical forces cannot
steamroll the negotiations and so that a
fair political solution can be reached.
The cease-fire agreed upon Septem-
ber 26—which launched the Geneva
negotiations—was achieved only because
we and our friends were able to
demonstrate that there were limits
beyond which we could not be pushed.

America's support for Lebanon is
not and cannot be separated from our
broader peace objectives in the Middle
East. If America's efforts for peaceful
solutions were to be overwhelmed by
brute force, our role as a force for peace
would be that much weakened every-
where. Friends who rely on us would be
disheartened and would be that much
less secure. Moderates in the Arab
world whom we are encouraging to take
risks for peace would feel it far less safe
to do so. The rejectionists would have

American forces in Lebanon, and on
shore, whose commitment and courage
have already helped bring about the
Geneva conference. As a former Marine
myself, I have a very deep appreciation
of what these fighting men can con-
tribute and of our duty to see that they
are not put at risk except where they
are performing an essential role in our
national interest. And in Lebanon they
are.

Our Marines were sent to Lebanon
to take part in a multinational force re-
quested by the Lebanese Government.
The presence of that force was meant to
further that government's efforts to
assure the safety of innocent civilians in
the Beirut area in the wake of the
massacres at Sabra and Shatila. And it
was meant to back up that government
in its efforts to extend its authority and
restore national unity.

It is truly and importantly a multi-
national effort. Our British, French, and
Italian allies are there with us. Including
the UN peacekeeping forces in southern
Lebanon, there are over 11,000 interna-
tional troops in the country—of which
ours are about a tenth of the total. Re-
cognizing that the world community, and
just the United States, feels an impor-
tant stake in the future of Lebanon.

The primary military responsibility
rests, of course, on the Lebanese Army,
which we have helped to turn into an ef-
fective fighting force and which is grow-
ing stronger by the day. But the
multinational force including our
Marines is a further deterrent to
challenges and a crucial weight on the
scales. The bipartisan support in the
Congress for our Marines was a valuable
contribution to our objectives, despite
doubts about our staying power and
strengthening our hand. We need to be
patient, and we need to be steadfast. To
remove these forces now would be a
serious mistake, which we would regret
it would only upset the balance in
Lebanon, undermine the chances of a
political settlement, and precipitate
chaos.

For Israel, the sovereign in-
dependence and peace of Lebanon con-
tinue to be a major strategic interest,
directly affecting its own security.
Israel, too, has influence in Lebanon,
and we are confident that Israel will be
using this influence in support of the

At stake, as I said earlier, is the fate of the second Arab country to negotiate directly an agreement with Israel. I need not elaborate on what it would mean for the overall peace process if Lebanon should be coerced into renouncing that agreement. It is the only existing formula that ensures both Israeli withdrawal and a solution to the security problem that created the Lebanese crisis in the first place. We will not accept its abrogation.

But the main issue now is national reconciliation. Especially in view of the sacrifices that have been made, the international community has a right to ask all the parties in Lebanon to settle their national problem. As the Bible tells us, to everything there is a season. Now in Lebanon is the time to decide. As in every negotiation, there must be compromise. For every risk taken, there is gain. And the risks of failure to act right now are far greater than any of the risks of a fair political solution.

The Peace Process

As long as there is no solution to the basic issue of Middle East peace, however, the region is bound to be subject to other crises, in other places, in other forms. Therefore, our efforts in Lebanon have not diverted us from the larger goal.

The issues at stake in Lebanon, as I said before, have wider significance: the principle of peaceful settlement of disputes, the right of small countries to live in peace and security with their neighbors. As Israelis and Jews have learned very clearly from bitter experience, we all live in a world in which many do not share these principles. Therefore, these principles must be defended, sometimes at the price of great risk or sacrifice. If the free nations are to preserve their security and defend their ideals, they must have sufficient military power to deter or resist aggression. Whether in Central America, the Middle East, Western Europe, or Asia, history shows that diplomacy works only when aggressors conclude that no military option is available.

The United States has always understood that a strong Israel is not only a guarantor of security for the Jewish people but also a powerful force

That's why we have ensured—and will continue to ensure—that Israel receives the help it needs to maintain a military advantage to deter its enemies. The Soviet military buildup in Syria underlines this necessity and underlines it again and again for anyone who will look to see. The United States has furnished over \$20 billion in military and economic aid since 1949, most of it in the last 10 years. In fiscal year 1984, Israel will receive a total of \$2.6 billion in military and economic assistance.

But military power is not enough. Israel's dream of becoming "a nation like all other nations" is yet to be realized. The Jewish state did not rescue the survivors of the ghettos in Europe and the Middle East in order to become itself a new ghetto among nations. And yet, 35 years after its founding, Israel remains rejected by most of its neighbors and isolated in international forums. I remember being in Israel just after Sadat's historic journey to Jerusalem and feeling personally—very personally—what a tremendous emotional impact Sadat's visit had. It was clear to me how deeply all Israelis yearn for true peace.

The requirements of defense are still a heavy burden on Israel's economy. Military reserve duties disrupt family life and economic productivity. The prospect of living with perpetual hostility, and the long-term threat from advanced weapons technology in enemy hands, cannot help but be deeply troublesome to Israel's people. And the moral burden of the occupation can undermine the values on which Israel was founded and can divide its society.

Military might and control of territory have prevented defeat on the battlefield, but true security and peace of mind can come only when Israel has gained the acceptance and recognition of its neighbors. That is why, even as we assist Israel's capacity to defend itself militarily, the promotion of Arab-Israeli peace through negotiation is the number-one priority of our policy and our efforts in the Middle East.

Since the great achievement of the Camp David accords, the peace process has encountered many problems. On the

pansion of settlements, unilaterally changing the status of the occupied territories even while their future is subject to negotiation. On the Arab side, there is the intense and continuing struggle between those who want to secure a better future through negotiation and those who reject peaceful solutions as a matter of ideology. The outcome of this struggle will go a long way toward determining the chances for progress.

Once before when our focus was on Lebanon, on September 1, 1982, President Reagan reminded us of the bigger picture and of our commitment to a broader peace. On the day the PLO (Palestine Liberation Organization) completed its evacuation of Beirut, the President challenged the parties to make a "fresh start" in the Middle East. He spelled out the foundation of the American position—in essence the principle of exchanging territory for peace, as called for in UN Security Council Resolution 242, which has been our policy ever since 1967.

At the same time, the President added: "... our view on the extent to which Israel should be asked to give up territory will be heavily affected by the extent of true peace and normalization and the security arrangements offered in return." He made clear the American view, among other things, that the security and legitimacy of Israel are crucial criteria that have to be recognized in any settlement; that neither a Palestinian state, nor permanent Israeli control of occupied territories, nor a return to the pre-1967 security situation is a viable solution; that Palestinian self-government in the West Bank and Gaza in association with Jordan offers the best chance for a durable peace; that Jerusalem must be undivided; and most fundamentally, that the terms of a settlement can only be determined by the parties concerned in direct negotiations.

The positions laid out in the President's initiative are fair, balanced, and realistic. They were meant as a stimulus to negotiation, not as the dictated outcome of a negotiation. The initiative was an opportunity for the seekers after justice in the Arab world to achieve their goal through negotiations leading to peace. Although it triggered a vigorous—and, on the whole, constructive—debate among Arab leaders, none of them has yet seized that opportunity.

Otherwise, it was a challenge to Israel to have true and lasting security through peace, rather than relying on the short-term illusion of security through territory. The Israeli Government, I regret to note, rejected the President's initiative. But I have little doubt that if an Arab leader comes forward with a mandate to negotiate on the basis of those principles, Israel will not let such a historic opportunity slip away.

We cannot be certain, however, that that opportunity will remain open indefinitely. Every passing month creates new facts on the ground which, I am convinced, are making the process for reaching a negotiated settlement ever more difficult and its prospects ever more uncertain. The peace treaty with Egypt—and the return of the Sinai to Egyptian sovereignty—prove that negotiations work. Both sides must recognize, and soon, that negotiations are the only hope for a secure, just, and peaceful future—the only hope. The essence of negotiation is a formula for endless conflict and mounting danger.

I have spoken a lot tonight about the human dimension of the Middle East conflict, and there is another aspect that must be mentioned. I am thinking of the Palestinian people. The Palestinians have been victimized above all by their self-appointed leaders and spokesmen who, for decades, have chased the illusion of military options and foolishly rejected the only possible path to a solution: direct negotiations. The utter failure of rejectionist policies ought to be obvious by now. But I am thinking in particular of the 1.3 million Palestinians living in the West Bank and Gaza. Their

well-being, their desire for a greater voice in determining their own destiny must be another issue of moral concern, even while we continue to pursue an agreed solution to the final status of the occupied territories. If their acceptance of a peaceful future with Israel is to be nurtured, they must be given some stake in that future by greater opportunities for economic development, by fairer administrative practices, and by greater concern for the quality of their lives.

I must add a word here about Jordan. It has been our view since the 1967 war that Jordan is the key to a negotiated solution in the West Bank and Gaza. The PLO has thus far excluded itself as a negotiating partner by its refusal to recognize Israel's right to exist. Jordan, in contrast, under the leadership of King Hussein, has long sought a path toward moderation and conciliation. Jordan's participation in the peace process has been inhibited by many considerations, including the absence of the necessary support from other moderate Arabs but most of all the fierce opposition of Arab radicals.

Last spring King Hussein nearly achieved an agreement that would have permitted him to take a more active role in the peace process on behalf of the Palestinians in the West Bank and Gaza. The effort failed because of radical Arab opposition. More recently, a bitter and violent struggle has broken out within the PLO and between the PLO and Syria. King Hussein has pointedly and courageously raised the question of whether the PLO, if dominated by Syria, can continue to claim legitimacy as spokesman for the Palestinian people. The outcome of this struggle is sure to have major implications for Jordan, the Palestinians, and the future of the peace process. For our part, the door will always be kept open for a negotiation in accordance with the President's September 1 initiative.

There may be some who have already written off the peace process for the next year. They think we will shy away from the sensitive issues of the Middle East during a presidential election year. Well, they are wrong. Ronald Reagan has no intention of letting the search for peace lapse. We cannot afford to. Let it never be said that the United States was too busy practicing politics to pursue peace.

The Future

In the next 2 weeks, President Reagan will be receiving in Washington Israel's new leaders—President Herzog, Prime Minister Shamir, and Defense Minister Arens. Our two governments have many things to talk about: Lebanon; the relationship with Egypt; the possibilities for progress toward peace; the threat of Soviet expansionism in the Middle East; the need for Israel to restore its economic vitality; the fate of threatened Jewish communities around the world, especially in the Soviet Union; and other important common concerns.

Our cooperation is an enduring reality, whichever party is in office in either country, because this relationship is deeply rooted in the sentiments of our peoples and in the values of our civilization. There is no stronger bond between countries. So we come back, in the end, to the human dimension. The fate of Antoliy Shcharanskiy and the fate of Lebanon and the fate of the villagers of Kiryat Sh'monah and the fate of the Palestinians—indeed, the fate of all men and women of good will, who wish to live in peace—this is the common agenda of Israel and the United States, as it is the common agenda of our civilization. ■

U.S.-Soviet Relations in the Context of U.S. Foreign Policy

Secretary Shultz
Senate Foreign Relations
Committee
Washington, D.C.
June 15, 1983

I appreciate the opportunity to meet with you and to discuss this subject of great importance. As you have suggested, it has all sorts of dimensions to it that weigh on peoples' minds; it is a subject that I've thought about a great deal, of course. The President has. You might say that the President has taken the time not only to talk with me about this, but he has read through this testimony and made a few suggestions, which I found it possible to accept, and has signed off on the testimony. So I feel very confident in saying that I am speaking not only for myself but for the President in this statement.

The management of our relations with the Soviet Union is of utmost importance. That relationship touches virtually every aspect of our international concerns and objectives—political, economic, and military—and every part of the world.

We must defend our interests and values against a powerful Soviet adversary that threatens both. And we must do so in a nuclear age, in which a global war would even more thoroughly threaten those interests and values. As President Reagan pointed out on March 31: "We must both defend freedom and preserve the peace. We must stand true to our principles and our friends while preventing a holocaust." It is, as he said, "one of the most complex moral challenges ever faced by any generation."

We and the Soviets have sharply divergent goals and philosophies of political and moral order; these differences will not soon go away. Any other assumption is unrealistic. At the same time, we have a fundamental common interest in the avoidance of war. This

common interest impels us to work toward a relationship between our nations that can lead to a safer world for all mankind.

But a safer world will not be realized through good will. Our hopes for the future must be grounded in a realistic assessment of the challenges we face and in a determined effort to create the conditions that will make their achievement possible. We have made a start. Every postwar American president has come sooner or later to recognize that peace must be built on strength; President Reagan has long recognized this reality. In the past 2 years this nation—the President in partnership with the Congress—has made a fundamental commitment to restoring its military and economic power and moral and spiritual strength. And having begun to rebuild our strength, we now seek to engage the Soviet leaders in a constructive dialogue—a dialogue through which we hope to find political solutions to outstanding issues.

This is the central goal we have pursued since the outset of this Administration. We do not want to—and need not—accept as inevitable the prospect of endless, dangerous confrontation with the Soviet Union. For if we do, then many of the great goals that the United States pursues in world affairs—peace, human rights, economic progress, national independence—will also be out of reach. We can—and must—do better.

With that introduction, let me briefly lay out for this committee what I see as the challenge posed by the Soviet Union's international behavior in recent years and the strategy which that challenge requires of us. Then I would like to discuss steps this Administration has taken to implement that strategy. Finally, I will focus on the specific issues that make up the agenda for U.S.-Soviet dialogue and negotiation.

Together, these elements constitute a policy that takes account of the facts of Soviet power and of Soviet conduct, mobilizes the resources needed to defend

our interests, and offers an agenda for constructive dialogue to resolve concrete international problems. We believe that, if sustained, this policy will make international restraint Moscow's most realistic course and it can lay the foundation for a more constructive relationship between our peoples.

THE SOVIET CHALLENGE

It is sometimes said that Americans have too simple a view of world affairs, that we start with the assumption that all problems can be solved. Certainly we have a simple view of how the world should be—free peoples choosing their own destinies, nurturing their prosperity, peaceably resolving conflicts. This is the vision that inspires America's role in the world. It does not, however, lead us to regard mutual hostility with the U.S.S.R. as an immutable fact of international life.

Certainly there are many factors contributing to East-West tension. The Soviet Union's strategic Eurasian location places it in close proximity to important Western interests on two continents. Its aspirations for greater international influence lead it to challenge these interests. Its Marxist-Leninist ideology gives its leaders a perspective on history and a vision of the future fundamentally different from our own. But we are not so deterministic as to believe that geopolitics and ideological competition must ineluctably lead to permanent and dangerous confrontation. Nor is it permanently inevitable that contention between the United States and the Soviet Union must dominate and distort international politics.

A peaceful world order does not require that we and the Soviet Union agree on all the fundamentals of morals or politics. It does require, however, that Moscow's behavior be subject to the restraint appropriate to living together

gradual evolution of the Soviet system toward a more pluralistic political and economic system and, above all, to counter Soviet expansionism through sustained and effective political, economic, and military competition.

In the past decade, regrettably, the charges in Soviet behavior have been for the worse. Soviet actions have come into conflict with many of our objectives. They have made the task of managing the Soviet-American relationship considerably harder and have needlessly drawn more and more international problems into the East-West rivalry. To be specific, it is the following developments which have caused us the most concern.

First is the continuing Soviet quest for military superiority even in the face of mounting domestic economic difficulties. In the late 1970s the allocation of resources for the Soviet military was not only at the expense of the Soviet consumer. It came even at the expense of industrial investment on which the long-term development of the economy depends. This decision to mortgage the industrial future of the country is a striking demonstration of the inordinate value the Soviets assign to maintaining the momentum of the relentless military buildup underway since the 1940s. This buildup consumed an estimated annual average of at least 25% of Soviet gross national product (GNP) throughout this entire period and has recently consumed even more as a result of the sharp decline in Soviet economic growth. During much of this same period, as you know, the share of our own GNP devoted to defense spending has actually declined.

The second disturbing development is the unconstructive Soviet involvement, direct and indirect, in unstable areas of the Third World. Arms have become a larger percentage of Soviet exports than of the export trade of any other country. The Soviets have too often attempted to play a spoiling or scavenging role in areas of concern to us, most recently in the Middle East.

Beyond this, the Soviets in the 1970s broke major new ground in the kinds of foreign military intervention they were willing to risk for themselves or their



Secretary Shultz and Soviet Foreign Minister Gromyko, September 28, 1982.

surrogates. This has escalated from the provision of large numbers of military advisers to the more extensive and aggressive use of proxy forces as in Angola, Ethiopia, and Indochina, and finally to the massive employment of the Soviet Union's own ground troops in the invasion of Afghanistan. In this way, the Soviet Union has tried to block peaceful solutions and has brought East-West tensions into areas of the world that were once free of them.

Third is the unrelenting effort to impose an alien Soviet "model" on nominally independent Soviet clients and allies. One of the most important recent achievements in East-West relations was the negotiation of the Helsinki Final Act, with its pledges concerning human rights and national independence in Europe. Poland's experience in the past 2 years can be considered a major test of the Soviet Union's respect—or lack of it—for these commitments. Moscow clearly remains unwilling to countenance meaningful national autonomy for its satellites, let alone real independence. Elsewhere in the world, the coming to power of Soviet-supported regimes has usually meant (as in Afghanistan) the forcible creation of Soviet-style institutions and the harsh regimentation and repression of free ex-

pression and free initiative—all at enormous human, cultural, and economic cost.

Fourth is Moscow's continuing practice of stretching a series of treaties and agreements to the brink of violation and beyond. The Soviet Union's infringement of its promises and legal obligations is not confined to isolated incidents. We have had to express our concerns about Soviet infractions on one issue after another—human rights and the Helsinki Final Act, "yellow rain" and biological warfare. We are becoming increasingly concerned about Soviet practices—including the recent testing of ICBMs [intercontinental ballistic missiles]—that raise questions about the validity of their claim of compliance with existing SALT [strategic arms limitation talks] agreements. Little else is so corrosive of international trust as this persistent pattern of Soviet behavior.

THE AMERICAN RESPONSE: BEYOND CONTAINMENT AND DETENTE

This assessment of Soviet international behavior both dictates the approach we must take to East-West relations and indicates the magnitude of the task.

- If we are concerned about the Soviet commitment to military power, we have to take steps to *restore the military balance*, preferably on the basis of verifiable agreements that reduce

arms on both sides but, if necessary, through our own and allied defense programs.

- If we are concerned about the Soviet propensity to use force and promote instability, we have to make clear that we will *resist encroachments* on our vital interests and those of our allies and friends.

- If we are concerned about the loss of liberty that results when Soviet clients come to power, then we have to *ensure that those who have a positive alternative to the Soviet model receive our support*.

- Finally, if we are concerned about Moscow's observance of its international obligations, we must *leave Moscow no opportunity to distort or misconstrue our own intentions*. We will defend our interests if Soviet conduct leaves us no alternative; at the same time we will respect legitimate Soviet security interests and are ready to negotiate equitable solutions to outstanding political problems.

In designing a strategy to meet these goals, we have, of course, drawn in part on past strategies, from containment to detente. There is, after all, substantial continuity in U.S. policy, a continuity that reflects the consistency of American values and American interests. However, we have not hesitated to jettison assumptions about U.S.-Soviet relations that have been refuted by experience or overtaken by events.

Consider how the world has changed since the Truman Administration developed the doctrine of containment. Soviet ambitions and capabilities have long since reached beyond the geographic bounds that this doctrine took for granted. Today Moscow conducts a fully global foreign and military policy that places global demands on any strategy that aims to counter it. Where it was once our goal to contain the Soviet presence within the limits of its immediate postwar reach, now our goal must be to advance our own objectives, where possible foreclosing and when necessary actively countering Soviet challenges wherever they threaten our interests.

The policy of detente, of course,

Unfortunately, experience has proved otherwise. The economic relationship may have eased some of the domestic Soviet economic constraints that might have at least marginally inhibited Moscow's behavior. It also raised the specter of a future Western dependence on Soviet-bloc trade that would inhibit Western freedom of action toward the East more than it would dictate prudence to the U.S.S.R. Similarly, the SALT I and SALT II processes did not curb the Soviet strategic arms buildup, while encouraging many in the West to imagine that security concerns could now be placed lower on the agenda.

Given these differences from the past, we have not been able merely to tinker with earlier approaches. Unlike containment, our policy begins with the clear recognition that the Soviet Union is and will remain a global superpower. In response to the lessons of this global superpower's conduct in recent years, our policy, unlike some versions of detente, assumes that the Soviet Union is more likely to be deterred by our actions that make clear the risks their aggression entails than by a delicate web of interdependence.

Our policy is not based on trust or on a Soviet change of heart. It is based on the expectation that, faced with demonstration of the West's renewed determination to strengthen its defenses, enhance its political and economic cohesion, and oppose adventurism, the Soviet Union will see restraint as its most attractive, or only, option. Perhaps, over time, this restraint will become an ingrained habit; perhaps not. Either way, our responsibility to be vigilant is the same.

PROGRAMS TO INCREASE OUR STRENGTH

In a rapidly evolving international environment, there are many fundamental ways the democratic nations can, and must, advance their own goals in the face of the problem posed by the Soviet Union. We must build a durable political consensus at home and within the Atlantic alliance on the nature of the Soviet challenge. We must strengthen our defenses and those of our allies. We

more effectively with the U.S.S.R. for the political sympathies of the global electorate, especially through the promotion of economic dynamism and democracy throughout the world. Finally, we must continue rebuilding America's moral-spiritual strength. If sustained over time, these policies can foster a progressively more productive dialogue with the Soviet Union itself.

Building Consensus

From the beginning of this Administration, the President recognized how essential it was to consolidate a new consensus, here at home and among our traditional allies and friends. After 15 years in which foreign policy had been increasingly a divisive issue, he believed we had an opportunity to shape a new unity in America, expressing the American people's recovery of self-confidence. After the trauma of Vietnam, he sought to bolster a realistic pride in our country and to reinforce the civic courage and commitment on which the credibility of our military deterrent ultimately rests.

The President also felt that the possibility of greater cooperation with our allies depended importantly on a reaffirmation of our common moral values and interests. There were, as well, opportunities for cooperation with friendly governments of the developing world and new efforts to seek and achieve common objectives.

Redressing the Military Balance

President Reagan also began a major effort to modernize our military forces. The central goal of our national security policy is deterrence of war; restoring and maintaining the strategic balance is a necessary condition for that deterrence. But the strategic balance also shapes, to an important degree, the global environment in which the United States pursues its foreign policy objectives. Therefore, decisions on major strategic weapons systems can have profound political as well as military consequences.

As Secretary of State I am acutely conscious of the strength or weakness of American power and its effect on our international relations. It is one of the

well as to our defense.

At the same time, we have begun an accelerated program to strengthen our conventional capabilities. We are pursuing major improvements of our ground, naval, and tactical air forces; we have also added a new Central Command in the Middle East that will enhance our ability to deploy forces rapidly if threats to our vital interests make this necessary. To deter or deal with any future crisis, we need to maintain both our conventional capabilities and our strategic deterrent.

We are also working closely with our allies to improve our collective defense. As shown in the security declaration of the Williamsburg summit and in the North Atlantic Council communique of just the other day, we and our allies are united in our approach in the INF [intermediate-range nuclear forces] negotiations in Geneva and remain on schedule for the deployment of Pershing II and ground-launched cruise missiles. That deployment will take place as planned unless we are able to reach a balanced and verifiable agreement at Geneva which makes deployment unnecessary.

Upgrading NATO's conventional forces is, of course, a collective alliance responsibility. At the NATO summit in Bonn a year ago, the President and the leaders of the Atlantic alliance reaffirmed that a credible conventional defense is essential to ensuring European security. We and our allies will continue our efforts toward this goal. At the same time, we have taken steps to ensure a more equitable sharing of the burden of that defense. As a measure of the value of such steps, we estimate that last year's agreement with the F.R.G. [Federal Republic of Germany] on host-nation support will cost about 10% of what it would cost to provide the same capability with U.S. reserves or 3% of what it would cost to provide that capability with active forces.

The Soviets apparently believe they can weaken or divide the Western alliance if they can dominate outlying strategic areas and resources. To deter threats to our vital interests outside Europe, we are developing our ability to move forces, supported by our allies, to key areas of the world such as Southwest Asia. The allies are also working with us to contribute to stability and security in certain volatile areas, in-

Reassessing the Security Implications of East-West Economic Relations

The balance of power cannot be measured simply in terms of military forces or hardware; military power rests on a foundation of economic strength. Thus, we and our allies must not only strengthen our own economies but we must also develop a common approach to our economic relations with the Soviet Union that takes into account our broad strategic and security interests. In the past, the nations of the West have sometimes helped the Soviets to avoid difficult economic choices by allowing them to acquire militarily relevant technology and subsidized credits. Possible dependence on energy imports from the Soviet Union is another cause for concern.

In the past year, we have made substantial progress toward an allied consensus on East-West trade. The Williamsburg summit declaration stated clearly: "East-West economic relations should be compatible with our security interests." The NATO communique 2 days ago made a similar statement. Our allies agree with us that trade which makes a clear and direct contribution to the military strength of the Soviet Union should be prohibited. There is also general agreement that economic relations with the U.S.S.R. should be conducted on the basis of a strict balance of mutual advantages.

Studies undertaken under NATO and OECD [Organization for Economic Cooperation and Development] auspices have for the first time laid the groundwork for common analyses. We expect in time to draw common policy conclusions from these studies. The communique of the OECD ministerial meeting on May 9-10 declared that "East-West trade and credit flows should be guided by the indications of the market. In the light of these indications, Governments should exercise financial prudence without granting preferential treatment." The United States seeks agreement that we not subsidize Soviet imports through the terms of government credits. Beyond this, we urge other Western governments to exercise restraint in providing or guaranteeing credit to the Soviet Union, allowing the commercial considerations of the market to govern credit.

...of sources of gas imports and to obtain future gas supplies from secure sources, with emphasis on indigenous OECD sources."

The fruitful cooperative discussions of these issues at the OECD, IEA, Williamsburg, and NATO are only a beginning. Economic relationships are a permanent element of the strategic equation. How the West should respond economically to the Soviet challenge will and should be a subject of continuing discussion in Western forums for years to come.

Peace and Stability in the Third World

Since the 1950s, the Soviet Union has found in the developing regions of the Third World its greatest opportunities for extending its influence through subversion and exploitation of local conflicts. A satisfactory East-West military balance will not by itself close off such opportunities. We must also respond to the economic, political, and security problems that contribute to these opportunities. Our approach has four key elements.

First, in the many areas where Soviet activities have added to instability, we are pursuing peaceful diplomatic solutions to regional problems, to raise the political costs of Soviet-backed military presence and to encourage the departure of Soviet-backed forces. Our achievements in the Middle East, while far from complete, are addressed to this goal; we are actively encouraging ASEAN [Association of South East Asian Nations] efforts to bring about Vietnamese withdrawal from Kampuchea; we strongly support the worldwide campaign for Soviet withdrawal from Afghanistan; and we have made considerable progress toward an internationally acceptable agreement on Namibia. In our own hemisphere, we are working with other regional states in support of a peaceful solution to the conflict and instability in Central America.

Second, we are building up the security capabilities of vulnerable governments in strategically important areas. We are helping our friends to help themselves and to help each other. For this purpose, we are asking the Congress for a larger, more flexible security assistance program for FY 1984.

Third, our program recognizes that economic crisis and political instability

financial needs of some of the largest Third World nations. We urge the Congress to approve the full amount requested by the Administration toward meeting the U.S. commitment to the IDA [International Development Association].

Finally, there is the democracy initiative, an effort to assist our friends in the Third World to build a foundation for democracy. I might say it has been fascinating to me as this project, which is very small, has gotten started, to see the reaction to it. We held a meeting in the State Department with people from various parts of the world on the subject of free elections, and it was denounced by the Soviet Union. The interesting thing was, they noticed it. I was struck by the fact that in Mr. Chernenko's [Secretary of the Communist Party of the Soviet Union (CPSU)] speech yesterday one of the subjects that he brought out was the importance to them of destroying President Reagan's, in a sense, ideological initiatives. It seems we have their attention. But I think if we can put competition on the basis of ideological competition, of competition of economic systems, we'll walk away with it.

NEGOTIATION AND DIALOGUE: THE U.S.-SOVIET AGENDA

Together these programs increase our political, military, and economic strength and help create an international climate in which opportunities for Soviet adventurism are reduced. They are essential for the success of the final element of our strategy—engaging the Soviets in an active and productive dialogue on the concrete issues that concern the two sides. Strength and realism can deter war, but only direct dialogue and negotiation can open the path toward lasting peace. In this dialogue, our agenda is as follows:

- To seek improvement in Soviet performance on human rights, which you emphasized, Mr. Chairman [Senator Charles H. Percy], in your opening statement;
- To reduce the risk of war, reduce armaments through sound agreements, and ultimately ease the burdens of military spending;
- To manage and resolve regional conflicts; and

have pressed each issue in a variety of forums, bilateral and multilateral. We have made clear that the concerns we raise are not ours alone, but are shared by our allies and friends in every region of the globe. We have made clear that each of our concerns is serious, and the Soviets know that we do not intend to abandon any of them merely because agreement cannot be reached quickly or because agreement has been reached on others.

Let me briefly review the state of our dialogue in each of these areas.

Human Rights

Human rights is a major issue on our agenda. To us it is a matter of real concern that Soviet emigration is at its lowest level since the 1960s and that Soviet constriction of emigration has coincided with a general crackdown against all forms of internal dissent. The Helsinki monitoring groups have all been dispersed, and their leaders have been imprisoned or expelled from the country. And the Soviet Union's first independent disarmament group has been harassed and persecuted.

We address such questions both multilaterally and bilaterally. In such forums as the UN Human Rights Commission, the International Labor Organization, and especially the review conference of CSCE [Conference on Security and Cooperation in Europe]—I might say where Max Kampelman [chairman of the U.S. delegation] is doing an absolutely outstanding job—we have made clear that human rights cannot be relegated to the margins of international politics. Our Soviet interlocutors have a different view; they seek to dismiss human rights as a "tenth-rate issue," not worthy of high-level attention.

But our approach will not change. Americans know that national rights and individual rights cannot realistically be kept separate. We believe, for example, that the elements of the postwar European "settlement" that were adopted by the parties to the Helsinki Final Act in 1975 form an integral whole; no one part will survive alone. Guided by this conviction, we and our allies have held at the Madrid review conference that movement in one "basket" of this settlement—such as the convening of a European disarmament

also a deeper reason that directly concerns the question of security. In Europe, as elsewhere, governments that are not at peace with their own people are unlikely to be on good terms with their neighbors. The only significant use of military force on the Continent of Europe since 1945 has been by the Soviet Union against its East European "allies." As long as this unnatural relationship continues between the U.S.S.R. and its East European neighbors, it is bound to be a source of instability in Europe.

We have been just as concerned about human rights issues on a bilateral as on a multilateral basis. The need for steady improvement of Soviet performance in the most important human rights categories is as central to the Soviet-American dialogue as any other theme. Sometimes we advance this dialogue best through public expressions of our concerns, at other times through quiet diplomacy. What counts, and the Soviets know this, is whether we see results.

Arms Control

Let me turn to arms control. We believe the only arms control agreements that count are those that provide for real reductions, equality, verifiability, and enhanced stability in the East-West balance. Success in our negotiations will not, of course, bring East-West competition to an end. But sustainable agreements will enable us to meet the Soviet challenge in a setting of greater stability and safety.

The United States is now applying these principles in an ambitious program of arms control negotiations including INF, START [strategic arms reduction talks], MBFR [mutual and balanced force reductions], and the ongoing discussions in the UN Committee on Disarmament in Geneva. If we can reach a balanced agreement in the CSCE at Madrid, we would be prepared to participate also in a conference on disarmament in Europe.

No previous administration has put so many elements of the East-West military equation on the negotiating table. You are aware of the U.S. position in the various talks, so I need not go into great detail. I will, however, touch on a few main points.

START. In the strategic arms reduction talks the United States has seen on the most destabilizing strategic systems—land-based ballistic missiles. Our objective is to strengthen deterrence while enhancing strategic stability through reductions. The President has proposed reductions in ballistic missile warheads by one-third. In preparing a comprehensive proposal, he indicated that all strategic weapons "on the table." Although our respective positions are far apart, the Soviets presently accept the proposition that agreement must involve significant reductions. This is progress.

We have recently undertaken a full review of the U.S. position, which included an assessment of the Scowcroft mission's recommendations and the thoughtful suggestions from the Europeans. One week ago, the President announced that he is willing to raise the deployed-missile ceiling in accordance with the Scowcroft recommendations. He also announced that he has given our negotiators new flexibility to explore all appropriate avenues for achieving reductions. It is now up to the Soviet Union to reciprocate our flexibility.

Confidence-Building Measures. We have also tabled a draft agreement on confidence-building measures that provide for exchange of information and advance notification of ballistic missile launches and major exercises. We want to move forward promptly to negotiate separate agreements on these very important measures, which would enhance stability in a crisis as well as symbolizing common interest in preventing war. Another effort to prevent misperception of military activities on either side, and thus to lower the risk of war, is the President's recent proposal to expand and upgrade crisis communications between Washington and Moscow. Here, we have hope for early agreement.

INF. In the negotiations on intermediate-range nuclear forces, "equal cuts and limits" between the United States and the Soviet Union is one of the key principles. President Reagan's proposal of November 1981 sought to achieve the complete elimination of these systems on each side about which the other side has expressed the greatest concern—that is, longer range, land-based INF missiles.

We still regard this as the most

Secretary of the CPSU last December would allow the Soviet Union to maintain its overwhelming monopoly of longer range INF (LRINF) missiles while prohibiting the deployment of even one comparable U.S. missile.

In an effort to break this stalemate, the President has proposed an interim agreement as a route to the eventual elimination of LRINF systems. Under such an agreement, we would reduce the number of missiles we plan to deploy in Europe if the Soviet Union will reduce the total number of warheads it has already deployed to an equal level. This would result in equal limits for both sides on a global basis. Reflecting the concerns of our Asian allies and friends, we have made it clear that no agreement can come at their expense. We hope that in the current round of negotiations the Soviets will move to negotiate in good faith on the President's proposal, which was unanimously supported by our partners at the Williamsburg summit.

MBFR. In the mutual and balanced force reductions talks in Vienna, NATO and the Warsaw Pact are discussing an agreement on conventional forces in Central Europe, the most heavily armed region of the world, where Warsaw Pact forces greatly exceed NATO's. Last year, the President announced a new Western position in the form of a draft treaty calling for substantial reductions to equal manpower levels. Although the Soviets and their allies have agreed to the principle of parity, progress has been prevented by inability to resolve disagreement over existing Warsaw Pact force levels and by problems of verification.

Chemical Weapons. In the 40-nation Committee on Disarmament in Geneva, the United States has introduced a far-reaching proposal for a comprehensive ban on chemical weapons—an agreement which would eliminate these terrible weapons from world arsenals. This initiative has been vigorously supported by our allies and friends, as well as by many nonaligned nations. Our emphasis on the importance of mandatory on-site inspections has been widely applauded. An independent, impartial verification system, observed by and responsive to all parties, is essential to create confidence that the ban is being respected.

dialogue with the Soviets in one area where our respective approaches very often coincide: nuclear nonproliferation.

We should not anticipate early agreement in any of these negotiations. The Soviets have their own positions, and they are tough, patient negotiators. But we believe that our positions are fair and even-handed and that our objectives are realistic.

Regional Issues

Let me now turn to regional issues which in the sweep of things historically have been the matters that are most upsetting to our relationship with the Soviet Union. Important as it is, arms control has not been—and cannot be—the dominant subject of our dialogue with the Soviets. We must also address the threat to peace posed by the Soviet exploitation of regional instability and conflict. Indeed, these issues—arms control and political instability—are closely related: the increased stability that we try to build into the superpower relationship through arms control can be undone by irresponsible Soviet policies elsewhere. In our numerous discussions with the Soviet leadership, we have repeatedly expressed our strong interest in reaching understandings with the Soviets that would minimize superpower involvement in conflicts beyond their borders.

The list of problem areas is formidable, but we have insisted that regional issues are central to progress. We have made clear our commitment to relieve repression and economic distress in Poland, to achieve a settlement in southern Africa, to restore independence to Afghanistan, to end the occupation of Kampuchea, and to halt Soviet- and Cuban-supported subversion in Central America. In each instance, we have conveyed our views forcefully to the Soviets in an attempt to remove the obstacles that Soviet conduct puts in the way of resolving these problems.

Last year, for example, Ambassador Hartman [U.S. Ambassador to the U.S.S.R.] conducted a round of exploratory talks on Afghanistan between U.S. and Soviet officials in Moscow. Any solution to the Afghanistan problem must meet four requirements: complete withdrawal of Soviet forces, restoration of Afghanistan's independent and non-aligned status, formation of a govern-

On southern African problems, Assistant Secretary Crocker has held a number of detailed exchanges with his Soviet counterpart. Southern Africa has been a point of tension and periodic friction between the United States and the Soviet Union for many years. We want to see tensions in the area reduced. But this more peaceful future will not be achieved unless all parties interested in the region show restraint, external military forces are withdrawn, and Namibia is permitted to achieve independence. If the Soviets are at all concerned with the interests of Africans, they should have an equal interest in achieving these objectives.

As in our arms control negotiations, we have made it absolutely clear to the Soviets in these discussions that we are not interested in cosmetic solutions. We are interested in solving problems fundamental to maintenance of the international order.

It is also our view that Soviet participation in international efforts to resolve regional conflicts—in southern Africa or the Middle East, for example—depends on Soviet conduct. If the Soviets seek to benefit from tension and support those who promote disorder, they can hardly expect to have a role in the amelioration of those problems. Nor should we expect them to act responsibly merely because they gain a role. At the same time, we have also made it clear that we will not exploit and, in fact, are prepared to respond positively to Soviet restraint. The decision in each case is theirs.

Bilateral Relations

The final part of our agenda with the Soviets comprises economic and other bilateral relations. In our dialogue, we have spelled out our view of these matters in a candid and forthright way. As we see it, economic transactions can confer important strategic benefits, and we must be mindful of the implications for our security. Therefore, as I have already indicated, we believe economic relations with the East deserve more careful scrutiny than in the past. But our policy is not one of economic warfare against the U.S.S.R. East-West trade in nonstrategic areas—in the words of the NATO communique—"conducted on the basis of commercially sound terms and mutual advantage, that avoids preferential treatment of the

Soviet Union, contributes to constructive East-West relations."

Despite the strains of the past few years in our overall relationship, we have maintained the key elements in the structure for bilateral trade. We have recently agreed with the U.S.S.R. to extend our bilateral fisheries agreement for 1 year and have begun to negotiate a new long-term U.S.-Soviet grain agreement. Our grain sales are on commercial terms and are not made with government-supported credits or guarantees of any kind.

As for contacts between people, we have cut back on largely symbolic exchanges but maintained a framework of cooperation in scientific, technical, and humanitarian fields. A major consideration as we pursue such exchanges must be reciprocity. If the Soviet Union is to enjoy virtually unlimited opportunities for access to our free society, U.S. access to Soviet society must increase. We have made progress toward gaining Soviet acceptance of this principle as is indicated by the airing in Moscow this past weekend of an interview with Deputy Secretary Ken Dam.

Eight bilateral cooperative agreements are now in effect, and exchanges between the Academies of Science continue, as do exchanges of young scholars and Fulbright fellows. *America Illustrated* magazine continues to be distributed in the Soviet Union in return for distribution here of *Soviet Life*, in spite of the absence of a cultural exchanges agreement. Toward the private sector we have maintained an attitude of neither encouraging nor discouraging exchanges, and a steady flow of tourists and conference participants goes on in both directions. The number of U.S. news bureaus in Moscow has actually increased in the last year.

PROSPECTS

Let me just say a word about prospects. It is sometimes said that Soviet-American relations are "worse than ever." This committee's staff, for example, has made such a judgment in a recent report. Certainly the issues dividing our two countries are serious. But let us not be misled by "atmospherics," whether sunny or, as they now seem to be, stormy.

In the mid-1950s, for example, despite the rhetoric and tension of the

Europe, and it carries an important lesson for us today. The Soviet leaders did not negotiate seriously merely because Western rhetoric was firm and principled, nor should we expect them to suffice now or in the future. But adverse "atmospherics" did not prevent agreement; Soviet policy was instead affected by the pattern of Western actions, by our resolve and clarity of purpose. And the result was progress.

There is no certainty that our current negotiations with the Soviets will lead to acceptable agreements. What is certain is that we will not find ourselves in the position in which we found ourselves in the aftermath of détente. We have not staked so much on the prospect of a successful negotiating effort that we have neglected to secure ourselves against the possibility of failure. Unlike the immediate postwar period, when negotiating progress was a remote prospect, we attach the highest importance to articulating the requirements for an improved relationship and to exploring every serious avenue for progress. Our parallel pursuit of strength and negotiation prepares us both to resist continued Soviet aggrandizement and to recognize and respond to positive Soviet moves.

We have spelled out our requirements—and our hope—for a more constructive relationship with the Soviet Union. The direction in which that relationship evolves will ultimately be determined by the decisions of the Soviet leadership. President Brezhnev's successors will have to weigh the increased costs and risks of relentless competition against the benefits of a less tense international environment in which they could more adequately address the rising expectations of their own citizens. While we can define their alternatives, we cannot decipher their intentions. To a degree unequaled anywhere else, Russia in this respect remains a secret.

Its history, of which this secrecy is such an integral part, provides no basis for expecting a dramatic change. And yet it also teaches that gradual change is possible. For our part, we seek to encourage change by a firm but flexible U.S. strategy, resting on a broad consensus, that we can sustain over the long term whether the Soviet Union changes or not. If the democracies can meet this challenge, they can achieve the goals of which President Reagan spoke so eloquently: a world in which freedom

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first days of 1984, I would
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Three years ago we embraced a
mandate from the American people to
change course, and we have. With the
support of the American people and the
Congress, we halted America's decline.
Our economy is now in the midst of the
best recovery since the 1960s. Our
defenses are being rebuilt. Our alliances
are solid, and our commitment to defend
our values has never been more clear.

America's recovery may have taken
Soviet leaders by surprise. They may
have counted on us to keep weakening
ourselves. They've been saying for years
that our demise was inevitable. They
said it so often they probably started
believing it. If so, I think they can see
now they were wrong.

This may be the reason that we've
been hearing such strident rhetoric from
the Kremlin recently. These harsh words
have led some to speak of heightened
uncertainty and an increased danger of
conflict. This is understandable but pro-
foundly mistaken. Look beyond the
words, and one fact stands out:
America's deterrence is more credible,
and it is making the world a safer
place—safer because now there is less
danger that the Soviet leadership will
underestimate our strength or question
our resolve.

Yes, we are safer now. But to say
that our restored deterrence has made
the world safer is not to say that it's
safe enough. We are witnessing tragic
conflicts in many parts of the world.
Nuclear arsenals are far too high. And
our working relationship with the Soviet
Union is not what it must be. These are
conditions which must be addressed and
improved.

Deterrence is essential to preserve
peace and protect our way of life, but
deterrence is not the beginning and end
of our policy toward the Soviet Union.
We must and will engage the Soviets in
a dialogue as serious and constructive as
possible, a dialogue that will serve to
promote peace in the troubled regions of
the world, reduce the level of arms, and
build a constructive working relation-
ship.

Neither we nor the Soviet Union can
wish away the differences between our
two societies and our philosophies. But
we should always remember that we do

so, we might find areas in which we
could engage in constructive coopera-
tion.

Our strength and vision of progress
provide the basis for demonstrating,
with equal conviction, our commitment
to stay secure and to find peaceful solu-
tions to problems through negotiations.
That is why 1984 is a year of oppor-
tunities for peace.

Problem Areas

But if the United States and the Soviet
Union are to rise to the challenges fac-
ing us and seize the opportunities for
peace, we must do more to find areas of
mutual interest and then build on them.
I propose that our governments make a
major effort to see if we can make prog-
ress in three broad problem areas.

First, we need to find ways to re-
duce—and eventually to eliminate—the
threat and use of force in solving in-
ternational disputes.

The world has witnessed more than
100 major conflicts since the end of
World War II. Today, there are armed
conflicts in the Middle East, Afghani-
stan, Southeast Asia, Central America,
and Africa. In other regions, independ-
ent nations are confronted by heavily
armed neighbors seeking to dominate by
threatening attack or subversion.

Most of these conflicts have their
origins in local problems, but many have
been exploited by the Soviet Union and
its surrogates—and, of course, Afghani-
stan has suffered an outright Soviet in-
vasion. Fueling regional conflicts and ex-
porting violence only exacerbate local
tensions, increase suffering, and make
solutions to real social and economic
problems more difficult. Further, such
activity carries with it the risk of larger
confrontations.

Would it not be better and safer if
we could work together to assist people
in areas of conflict in finding peaceful
solutions to their problems? That should
be our mutual goal. But we must recog-
nize that the gap in American and
Soviet perceptions and policy is so great
that our immediate objective must be
more modest. As a first step, our

effective actions we both can and must take to reduce the risk of U.S.-Soviet confrontation in these areas. And if we succeed, we should be able to move beyond this immediate objective.

Our second task should be to find ways to reduce the vast stockpiles of armaments in the world.

It is tragic to see the world's developing nations spending more than \$150 billion a year on armed forces—some 20% of their national budgets. We must find ways to reverse the vicious cycle of threat and response which drives arms races everywhere it occurs.

With regard to nuclear weapons, the simple truth is, America's total nuclear stockpile has declined. Today, we have far fewer nuclear weapons than we had 30 years ago. And in terms of its total destructive power, our nuclear stockpile is at the lowest level in 25 years.

Just 3 months ago, we and our allies agreed to withdraw 1,400 nuclear weapons from Western Europe. This comes after the withdrawal of 1,000 nuclear weapons from Europe 3 years ago. Even if all our planned intermediate-range missiles have to be deployed in Europe over the next 5 years—and we hope this will not be necessary—we will have eliminated five existing nuclear weapons for each new weapon deployed.

But this is not enough. We must accelerate our efforts to reach agreements that will greatly reduce nuclear arsenals, provide greater stability, and build confidence.

Our third task is to establish a better working relationship with each other, one marked by greater cooperation and understanding.

Cooperation and understanding are built on deeds, not words. Complying with agreements helps; violating them hurts. Respecting the rights of individual citizens bolsters the relationship; denying these rights harms it. Expanding contacts across borders and permitting a free interchange of information and ideas increase confidence; sealing off one's people from the rest of the world reduces it. Peaceful trade helps, while organized theft of industrial secrets certainly hurts.

Cooperation and understanding are especially important to arms control. In recent years, we've had serious concerns about Soviet compliance with agreements and treaties. Compliance is important because we seek truly effective

agreements. We have violated and that advantage has been taken of ambiguities in our agreements.

In response to a congressional request, a report on this will be submitted in the next few days. It is clear that we cannot simply assume that agreements negotiated will be fulfilled. We must take the Soviet compliance record into account, both in the development of our defense program and in our approach to arms control. In our discussions with the Soviet Union, we will work to remove the obstacles which threaten to undermine existing agreements and the broader arms control process.

The examples I have cited illustrate why our relationship with the Soviet Union is not what it should be. We have a long way to go, but we're determined to try and try again. We may have to start in small ways, but start we must.

U.S. Approach: Realism, Strength, and Dialogue

In working on these tasks, our approach is based on three guiding principles: realism, strength, and dialogue.

Realism. Realism means we must start with a clear-eyed understanding of the world we live in. We must recognize that we are in a long-term competition with a government that does not share our notions of individual liberties at home and peaceful change abroad. We must be frank in acknowledging our differences and unafraid to promote our values.

Strength. Strength is essential to negotiate successfully and protect our interests. If we're weak, we can do neither. Strength is more than military power. Economic strength is crucial, and America's economy is leading the world into recovery. Equally important is our strength of spirit and unity among our people at home and with our allies abroad. We are stronger in all these areas than we were 3 years ago.

Our strength is necessary to deter war and to facilitate negotiated solutions. Soviet leaders know it makes sense to compromise only if they can get something in return. America can now offer something in return.

Dialogue. Strength and dialogue go hand in hand. We are determined to deal with our differences peacefully, through negotiations. We're prepared to

do so as a surprise to Soviet leaders, who've never shied from expressing their view of our system. This doesn't mean we can't deal with each other. We don't refuse to talk the Soviets call us "imperialist aggressors" and worse, or because they cling to the fantasy of a communist triumph over democracy. The fact that neither of us likes the other's system is no reason to refuse to talk. Living in this nuclear age makes it imperative that we do talk.

Our commitment to dialogue is firm and unshakable. But we insist that negotiations deal with real problems, not atmospherics. In our approach to negotiations, reducing the risk of war and especially nuclear war—is priority number one. A nuclear conflict could well be mankind's last. That is why I proposed over 2 years ago the "zero option" for intermediate-range missiles. Our aim was and continues to be to eliminate an entire class of nuclear arms.

Indeed, I support a zero option for all nuclear arms. As I have said before, my dream is to see the day when nuclear weapons will be banished from the face of the earth.

Last month, the Soviet Defense Minister stated that his country would do everything to avert the threat of These are encouraging words. But now is the time to move from words to deeds.

The opportunity for progress in arms control exists; the Soviet leadership should take advantage of it. We have proposed a set of initiatives that would reduce substantially nuclear arsenals and reduce the risk of nuclear confrontation.

The world regrets—certainly we do—that the Soviet Union broke off negotiations on intermediate-range nuclear forces and has not set a date for the resumption of the talks on strategic arms and on conventional forces in Europe. Our negotiators are ready to return to the negotiating table to work toward agreements in INF, START, MBFR [intermediate-range nuclear forces, strategic arms limitation talks and mutual and balanced force reductions]. We will negotiate in good faith. Whenever the Soviet Union is ready to do likewise, we'll meet them halfway.

We seek to reduce nuclear arsenals and to reduce the chances for dangerous miscalculation.

that we can confidence-building measures." They cover a wide range of activities. In the Geneva negotiations, we have proposed to exchange advance notifications of missile tests and major military exercises. Following up on congressional suggestions, we also proposed a number of ways to improve direct channels of communication. Last week, we had productive discussions with the Soviets here in Washington on improving communications, including the hotline.

These bilateral proposals will be broadened at the conference in Stockholm. We are working with our allies to develop practical, meaningful ways to reduce the uncertainty and potential for misinterpretation surrounding military activities and to diminish the risk of surprise attack.

The Need to Defuse Tensions and Regional Conflicts

Arms control has long been the most visible area of U.S.-Soviet dialogue. But a durable peace also requires ways for both of us to defuse tensions and regional conflicts.

Take the Middle East as an example. Everyone's interests would be served by stability in the region, and our efforts are directed toward that goal. The Soviets could help reduce tensions there instead of introducing sophisticated weapons into the area. This would certainly help us to deal more positively with other aspects of our relationship.

Another major problem in our relationship with the Soviet Union is human rights. Soviet practices in this area, as much as any other issue, have created the mistrust and ill will that hangs over our relationship.

Moral considerations alone compel us to express our deep concern over prisoners of conscience in the Soviet Union and over the virtual halt in the emigration of Jews, Armenians, and others who wish to join their families abroad.

Our request is simple and straightforward: that the Soviet Union live up to the obligations it has freely assumed under international covenants—in particular, its commitments under the Helsinki accords. Experience has shown that greater respect for human rights can contribute to progress in other areas of the Soviet-American relationship.

Conflicts of interest between the United States and the Soviet Union are real. But we can and must keep the peace between our two nations and make it a better and more peaceful world for all mankind.

A Challenge for Peace

Our policy toward the Soviet Union—a policy of credible deterrence, peaceful competition, and constructive cooperation—will serve our two nations and people everywhere. It is a policy not just for this year but for the long term. It is a challenge for Americans. It is also a challenge for the Soviets. If they cannot meet us halfway, we will be prepared to protect our interests and those of our friends and allies. But we want more than deterrence; we seek genuine cooperation; we seek progress for peace.

Cooperation begins with communication. As I have said, we will stay at the negotiating tables in Geneva and Vienna. Furthermore, Secretary Shultz will be meeting this week with Soviet Foreign Minister Gromyko in Stockholm. This meeting should be followed by others, so that high-level consultations become a regular and normal component of U.S.-Soviet relations.

Our challenge is peaceful. It will bring out the best in us. It also calls for the best from the Soviet Union.

We do not threaten the Soviet Union. Freedom poses no threat; it is the language of progress. We proved this 35 years ago when we had a monopoly of nuclear weapons and could have tried to dominate the world. But we didn't. Instead, we used our power to write a new chapter in the history of mankind. We helped rebuild war-ravaged economies in Europe and the Far East, including those of nations who had been our enemies. Indeed, those former enemies are now numbered among our staunchest friends.

We can't predict how the Soviet leaders will respond to our challenge. But the people of our two countries share with all mankind the dream of eliminating the risks of nuclear war. It's not an impossible dream, because eliminating these risks is so clearly a vital interest for all of us. Our two countries have never fought each other; there is no reason why we ever should. Indeed, we fought common enemies in World War II. Today our common enemies are

differences, he said, but let us also direct attention to our common interests and to the means by which those differences can be resolved."

Well, those differences are differences in governmental structure and philosophy. The common interests have to do with the things of everyday life for people everywhere.

Just suppose with me for a moment, that an Ivan and Anya could find themselves, say, in a waiting room or sharing a shelter from the rain or a storm with Jim and Sally, and there was no language barrier to keep them from getting acquainted. Would they then debate the differences between their respective governments? Or would they find themselves comparing notes about their children and what each other did for a living?

Before they parted company they would probably have touched on ambitions and hobbies and what they wanted for their children and the problems of making ends meet. And as they went their separate ways, maybe Anya would be saying to Ivan, "Wasn't she nice, she also teaches music." Maybe Jim would be telling Sally what Ivan did or didn't like about his boss. They might even have decided that they were all going to get together for dinner some evening soon.

Above all, they would have proven that people don't make wars. People want to raise their children in a world without fear and without war. They want to have some of the good things over and above bare subsistence that make life worth living. They want to work at some craft, trade, or profession that gives them satisfaction and a sense of worth. Their common interests cross all borders.

If the Soviet Government wants peace, then there will be peace. Together we can strengthen peace, reduce the level of arms, and know in doing so we have helped fulfill the hopes and dreams of those we represent and, indeed, of people everywhere. Let us begin now. ■

Renewing the U.S. Commitment to Peace

**President Reagan
38th Session of the
UN General Assembly
New York
September 26, 1983**

Thank you for granting me the honor of speaking today, on this first day of general debate in the 38th session of the General Assembly. Once again I come before this body preoccupied with peace. Last year I stood in this chamber to address the Special Session on Disarmament. I have come today to renew my nation's commitment to peace. And I have come to discuss how we can keep faith with the dreams that created this organization.

The United Nations was founded in the aftermath of World War II to protect future generations from the scourge of war, to promote political self-determination and global prosperity, and to strengthen the bonds of civility among nations. The founders sought to replace a world at war with a world of civilized order. They hoped that a world of relentless conflict would give way to a new era, one where freedom from violence prevailed.

Whatever challenges the world was bound to face, the founders intended this body to stand for certain values, even if they could not be enforced, and to condemn violence, even if it could not be stopped. This body was to speak with the voice of moral authority. That was to be its greatest power.

But the awful truth is that the use of violence for political gain has become more, not less, widespread in the last decade. Events of recent weeks have presented new, unwelcome evidence of brutal disregard for life and truth. They have offered unwanted testimony on how divided and dangerous our world is, how quick the recourse to violence.

What has happened to the dreams of the United Nations' founders? What has happened to the spirit which created the United Nations? The answer is clear: governments got in the way of the

issues of East versus West. Hopes became political rhetoric. Progress became a search for power and domination. Somewhere the truth was lost that people don't make wars, governments do.

And today in Asia, Africa, Latin America, the Middle East, and the North Pacific, the weapons of war shatter the security of the peoples who live there, endanger the peace of neighbors, and create ever more arenas of confrontation between the great powers. During the past year alone, violent conflicts have occurred in the hills around Beirut, the deserts of Chad and the Western Sahara, in the mountains of El Salvador, the streets of Suriname, the cities and countryside of Afghanistan, the borders of Kampuchea, and the battlefields of Iran and Iraq.

We cannot count on the instinct for survival to protect us against war. Despite all the wasted lives and hopes that war produces, it has remained a regular, if horribly costly, means by which nations have sought to settle their disputes or advance their goals.

The Search for Meaningful Arms Control Agreements

And the progress in weapons technology has far outstripped the progress toward peace. In modern times, a new, more terrifying element has entered into the calculations—nuclear weapons. A nuclear war cannot be won and must never be fought. I believe that if governments are determined to deter and prevent war, there will not be war. Nothing is more in keeping with the spirit of the UN Charter than arms control.

When I spoke before the Second Special Session on Disarmament, I affirmed the U.S. Government's commitment, and my personal commitment, to reduce nuclear arms and to negotiate in good faith toward that end.

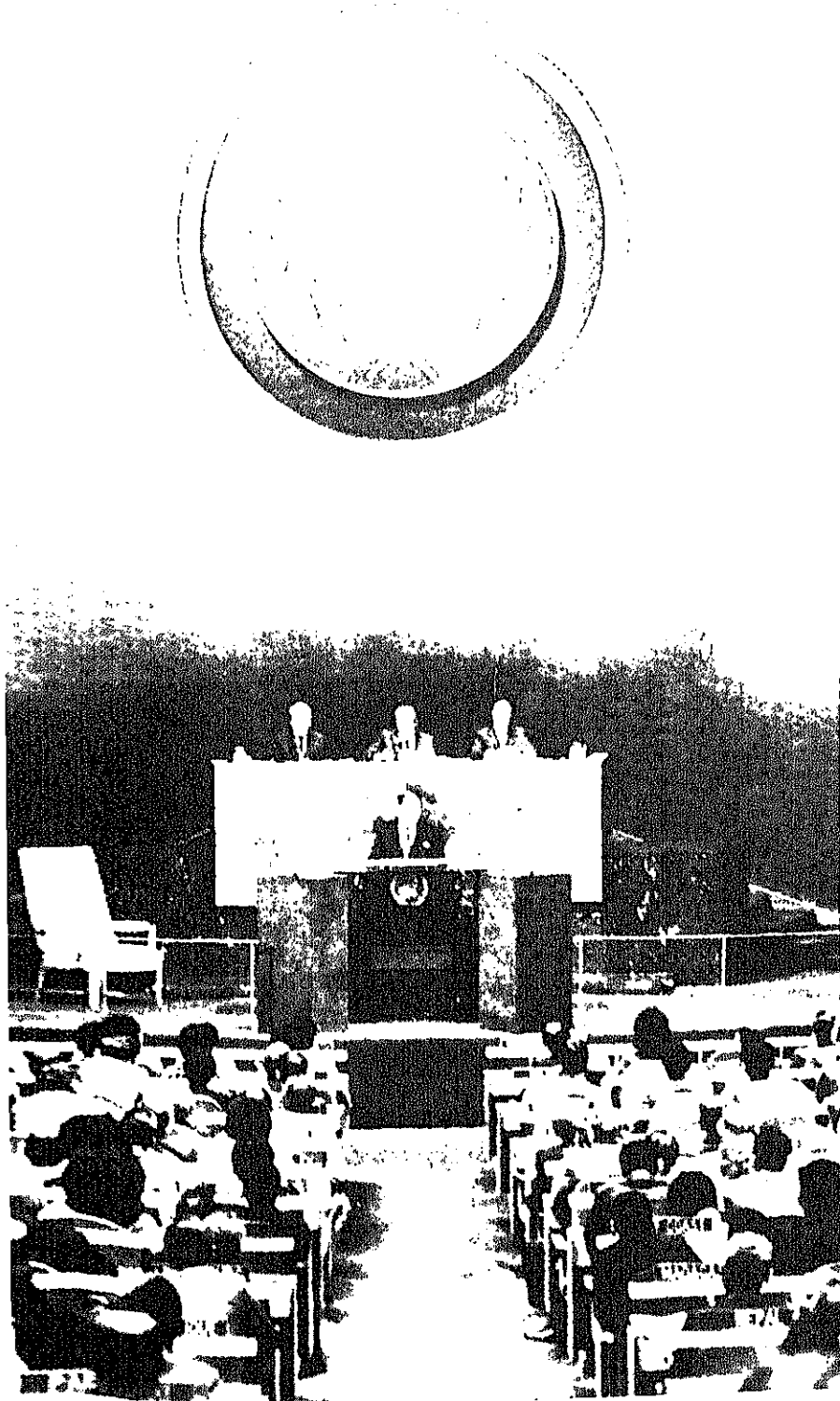
Today, I reaffirm those commitments. The United States has already reduced the number of its

nuclear weapons worldwide and, while replacement of older weapons is unavoidable, we wish to negotiate arms reductions and to achieve significant, equitable, verifiable arms control agreements. And let me add, we must ensure that world security is not undermined by the further spread of nuclear weapons. Nuclear nonproliferation must not be the forgotten element of the world's arms control agenda.

At the time of my last visit here, I expressed hope that a whole class of weapons systems—the longer range INF (the intermediate-range nuclear forces) missiles—could be banned from the face of the earth. I believe that to relieve the deep concern of peoples in both Europe and Asia, the time was ripe, for the first time in history, to resolve a security threat exclusively through arms control. I still believe the elimination of these weapons—the zero option—is the best, fairest, most practical solution to this problem. Unfortunately, the Soviet Union declined to accept the total elimination of this class of weapons.

When I was here last, I hoped that the critical strategic arms reduction talks (START) would focus, and urgently so, on those systems that carry the greatest risk of nuclear war—the fast-flying, accurate intercontinental ballistic missiles which pose a first strike potential. I also hoped the negotiations could reduce by one-half the number of strategic missiles on each side and reduce their warheads by one-third. Again, I was disappointed when the Soviets declined to consider such deep cuts and refused, as well, to concentrate on these most dangerous destabilizing weapons.

Despite the rebuffs, the United States has not abandoned and will not abandon the search for meaningful arms control agreements. Last June, I proposed a new approach toward the START negotiations. We did not alter our objective of substantial reductions, but we recognized that there are a variety of ways to achieve this end. During



President Reagan addresses UN General Assembly, September 26, 1983.

by the Soviet Union. We will continue to build upon this initiative.

Similarly, in our negotiations on intermediate-range nuclear forces, when the Soviet leaders adamantly refused to consider the total elimination of these weapons, the United States made a new offer. We proposed, as an interim solution, some equal number on both sides between zero and 572. We recommended the lowest possible level.

Once again, the Soviets refused an equitable solution and proposed instead what might be called a "half-zero option"—zero for us and many hundreds of warheads for them. And that's where things stand today, but I still have not given up hope that the Soviet Union will enter into serious negotiations.

We are determined to spare no effort to achieve a sound, equitable, and verifiable agreement. And for this reason, I have given new instructions to Ambassador Nitze [head of the U.S. delegation to the INF negotiations] in Geneva, telling him to put forward a package of steps designed to advance the negotiations as rapidly as possible. These initiatives build on the interim framework the United States advanced last March and address concerns that the Soviets have raised at the bargaining table in the past. Specifically:

First, the United States proposes a new initiative on global limits. If the Soviet Union agrees to reductions and limits on a global basis, the United States, for its part, will not offset the entire Soviet global missile deployment through U.S. deployments in Europe. We would, of course, retain the right to deploy missiles elsewhere.

Second, the United States is prepared to be more flexible on the content of the current talks. The United States will consider mutually acceptable ways to address the Soviet desire that an agreement should limit aircraft as well as missiles.

Third, the United States will address the mix of missiles that would result from reductions. In the context of reductions to equal levels, we are prepared to reduce the number of Pershing II ballistic missiles as well as ground-launched cruise missiles.

I have decided to put forward these important initiatives after full and extensive consultations with our allies, including personal correspondence I've had with the leaders of the NATO governments and Japan and frequent meetings

with other concerned friends and allies. The door to an agreement is open. It is time for the Soviet Union to walk through it.

I want to make an unequivocal pledge to those gathered today in this world arena. The United States seeks and will accept any equitable, verifiable agreement that stabilizes forces at lower levels than currently exist. We are ready to be flexible in our approach, indeed, willing to compromise. We cannot, however, especially in light of recent events, compromise on the necessity of effective verification.

Reactions to the Korean airliner tragedy are a timely reminder of just how different the Soviets' concept of truth and international cooperation is from that of the rest of the world. Evidence abounds that we cannot simply assume that agreements negotiated with the Soviet Union will be fulfilled. We negotiated the Helsinki Final Act, but the promised freedoms have not been provided and those in the Soviet Union who sought to monitor their fulfillment languish in prison. We negotiated a Biological Weapons Convention, but deadly yellow rain and other toxic agents fall on Hmong villages and Afghan encampments. We have negotiated arms agreements, but the high level of Soviet encoding hides the information needed for their verification. A newly discovered radar facility and a new ICBM [intercontinental ballistic missile] raise serious concerns about Soviet compliance with agreements already negotiated.

Peace cannot be served by pseudo arms control. We need reliable, reciprocal reductions. I call upon the Soviet Union today to reduce the tensions it has heaped on the world in the past few weeks and to show a firm commitment to peace by coming to the bargaining table with a new understanding of its obligations. I urge it to match our flexibility. If the Soviets sit down at the bargaining table seeking genuine arms reductions, there will be arms reductions. The governments of the West and their people will not be diverted by misinformation and threats. The time has come for the Soviet Union to show proof that it wants arms control in reality, not just in rhetoric.

Meaningful arms control agreements between the United States and the Soviet Union would make our world less dangerous; so would a number of confidence-building steps we've already proposed to the Soviet Union.

Call for a True Nonalignment of the United Nations

Arms control requires a spirit beyond narrow national interests. This spirit is a basic pillar on which the United Nations was founded. We seek a return to this spirit. A fundamental step would be a true nonalignment of the United Nations. This would signal a return to the true values of the charter, including the principle of universality. The members of the United Nations must be aligned on the side of justice rather than injustice, peace rather than aggression, human dignity rather than subjugation. Any other alignment is beneath the purpose of this great body and destructive of the harmony it seeks. What harms the charter harms peace.

The founders of the United Nations expected that member nations would behave and vote as individuals, after they had weighed the merits of an issue—rather like a great, global town meeting. The emergence of blocs and the polarization of the United Nations undermine all that this organization initially valued.

We must remember that the nonaligned movement was founded to counter the development of blocs and to promote detente between them. Its founders spoke of the right of smaller countries not to become involved in others' disagreements. Since then, membership in the nonaligned movement has grown dramatically, but not all the new members have shared the founders' commitment of genuine nonalignment. Indeed, client governments of the Soviet Union, who have long since lost their independence, have flocked into the nonaligned movement and once inside have worked against its true purpose. Pseudo nonalignment is no better than pseudo arms control.

The United States rejects as false and misleading the view of the world as divided between the empires of the East and West. We reject it on factual grounds. The United States does not

The United States, today, as in the past, is a champion of freedom and self-determination for all people. We welcome diversity; we support the right of all nations to define and pursue their national goals. We respect their decisions and their sovereignty, asking that they respect the decisions and sovereignty of others. Just look at the world over the last 30 years, and decide for yourself whether the United States or the Soviet Union has pursued an expansionist policy.

Today, the United States continues to peace by supporting collective efforts by the international community. We give our unwavering support to the peacekeeping efforts of this body, as well as other multilateral peacekeeping efforts around the world. The United Nations has a proud history of promoting conciliation and helping keep peace. Today, UN peacekeeping forces or observers are present in Cyprus, Kashmir, on the Golan Heights, and Lebanon.

In addition to our encouragement of international diplomacy, the United States recognizes its responsibility to use its own influence for peace. From the days when Theodore Roosevelt mediated the Russo-Japanese War in 1905, we have a long and honorable tradition of mediating or dampening conflicts and promoting peaceful solutions. In Lebanon, we, along with France, Italy, and the United Kingdom, have worked for a cease-fire, for the withdrawal of all external forces, and for restoration of Lebanon's sovereignty and territorial integrity. In Chad, we have joined others in supporting the recognized government in the face of internal aggression. In Central America and in southern Africa, we are seeking to discourage reliance upon force and to construct a framework for peaceful negotiations. We support a policy to disengage the major powers from the World conflict.

The UN Charter gives an important role to regional organizations in the search for peace. The U.S. efforts in the cause of peace are only one expression of a spirit that also animates others in the world community. The Organization of American States was a pioneer in regional security efforts. In Central America, the members of the Cont-

problems. In East Asia, the Asian countries have built a framework for peaceful political and economic cooperation that has greatly strengthened the prospects for lasting peace in their region. In Africa, organizations such as the Economic Community of West African States are being forged to provide practical structures in the struggle to realize Africa's potential.

From the beginning, our hope for the United Nations has been that it would reflect the international community at its best. The United Nations at its best can help us transcend fear and violence and can act as an enormous force for peace and prosperity. Working together, we can combat international lawlessness and promote human dignity.

The Need to Uphold the UN's Original Ideals

If the governments represented in this center want peace as genuinely as their peoples do, we shall find it. We can do so by reasserting the moral authority of the United Nations. In recent weeks, the moral outrage of the world seems to me reawakened.

Out of the billions of people who inhabit this planet, why, some might ask, should the death of several hundred shake the world so profoundly? Why should the death of a mother flying toward a reunion with her family or the death of a scholar heading toward new pursuits of knowledge matter so deeply? Why are nations who lost no citizens in the tragedy so angry?

The reason rests on our assumptions about civilized life and the search for peace. The confidence that allows a traveler or a scholar to travel to Asia or Africa or Europe or anywhere else on this planet may be only a small victory

in humanity's struggle for peace. Yet what is peace if not the sum of such small victories?

Each stride for peace and every small victory are important for the journey toward a larger and lasting peace. We have made progress. We have avoided another world war. We have seen an end to the traditional colonial era and the birth of 100 newly sovereign nations. Even though development remains a formidable challenge, we have witnessed remarkable economic growth among the industrialized and the developing nations. The United Nations and its affiliates have made important contributions to the quality of life on this planet, such as directly saving countless lives through its refugee and emergency relief programs. These broad achievements, however, have been overshadowed by the problems that weigh so heavily upon us. The problems are old, but it is not too late to commit ourselves to a new beginning, a beginning fresh with the ideals of the UN Charter.

Today, at the beginning of this 38th session, I solemnly pledge my nation to upholding the original ideals of the United Nations. Our goals are those that guide this very body. Our ends are the same as those of the United Nations' founders, who sought to replace a world at war with one where the rule of law would prevail, where human rights were honored, where development would blossom, where conflict would give way to freedom from violence.

In 1956, President Dwight Eisenhower made an observation on weaponry and deterrence in a letter to a publisher. He wrote:

When we get to the point, as we one day will, that both sides know that in any outbreak of general hostilities, regardless of the

element of surprise, destruction will be both reciprocal and complete, possibly we will have sense enough to meet at the conference table with the understanding that the era of armaments has ended and the human race must conform its actions to this truth or die.

He went on to say:

... we have already come to the point where safety cannot be assumed by arms alone ... their usefulness becomes concentrated more and more in their characteristics as deterrents than in instruments with which to obtain victory. ...

Distinguished ladies and gentlemen, as we persevere in the search for a more secure world, we must do everything we can to let diplomacy triumph. Diplomacy, the most honorable of professions, can bring the most blessed of gifts, the gift of peace. If we succeed, the world will find an excitement and accomplishment in peace beyond that which could ever be imagined through violence and war.

I want to leave you today with a message I have often spoken about to the citizens of my own country, especially in times when I have felt they were discouraged and unsure. I say it to you with as much hope and heart as I have said it to my own people. You have the right to dream great dreams. You have the right to seek a better world for your people. And all of us have the responsibility to work for that better world. And as caring, peaceful peoples, think what a powerful force for good we could be. Distinguished delegates, let us regain the dream the United Nations once dreamed. ■

Caribbean Basin Initiative

President Reagan
OAS Permanent Council
Washington, D.C.
February 24, 1982

The principles which the Organization of American States embodies—democracy, self-determination, economic development, and collective security—are at the heart of U.S. foreign policy. The United States of America is a proud member of this organization. What happens anywhere in the Americas affects us in this country. In that very real sense, we share a common destiny. We, the peoples of the Americas, have much more in common than geographical proximity. For over 400 years our peoples have shared the dangers and dreams of building a new world. From colonialism to nationhood, our common quest has been for freedom.

Most of our forebears came to this hemisphere seeking a better life for themselves. They came in search of opportunity and, yes, in search of God. Virtually all descendants of the land and immigrants alike have had to fight for independence. Having gained it, they've had to fight to retain it. There were times when we even fought each other.

Gradually, however, the nations of this hemisphere developed a set of common principles and institutions that provided the basis for mutual protection. Some 20 years ago, John F. Kennedy caught the essence of our unique mission when he said it was up to the New World "... to demonstrate... that man's unsatisfied aspiration for economic progress and social justice can best be achieved by free men working within a framework of democratic institutions."

In the commitment to freedom and independence, the peoples of this hemisphere are one. In this profound sense, we are all Americans. Our principles are rooted in self-government and nonintervention. We believe in the rule of law. We know that a nation cannot be liberated by depriving its people of liberty. We know that a state cannot be free when its independence is subordinated to a foreign power. And we

We have not always lived up to these ideals. All of us at one time or another in our history have been politically weak, economically backward, socially unjust, or unable to solve our problems through peaceful means. My own country, too, has suffered internal strife including a tragic civil war. We have known economic misery and once tolerated racial and social injustice. And, yes, at times we have behaved arrogantly and impatiently toward our neighbors. These experiences have left their scars, but they also help us today to identify with the struggle for political and economic development in the other countries of this hemisphere.

Out of the crucible of our common past, the Americas have emerged as more equal and more understanding partners. Our hemisphere has an unlimited potential for economic development and human fulfillment. We have a combined population of more than 600 million people; our continents and our islands boast vast reservoirs of food and raw materials; and the markets of the Americas have already produced the highest standard of living among the advanced as well as the developing countries of the world. The example that we could offer to the world would not only discourage foes, it would project like a beacon of hope to all of the oppressed and impoverished nations of the world. We are the New World, a world of sovereign and independent states that today stands shoulder to shoulder with a common respect for one another and a greater tolerance of one another's shortcomings.

Some 2 years ago when I announced as a candidate for the Presidency, I spoke of an ambition I had to bring about an accord with our two neighbors here on the North American Continent. Now, I was not suggesting a common market or any kind of formal arrangement. "Accord" was the only word that seemed to fit what I had in mind. I was aware that the United States has long enjoyed friendly relations with Mexico and Canada, that our borders have no fortifications. Yet it seemed to me that there was a potential for a closer relationship than had just been achieved.

Three great nations share the North American Continent with all its human and natural resources. Have we done all we can to create a relationship in which each country can realize its potential to the fullest?

Now, I know in the past the United States has proposed policies that we declared would be mutually beneficial not only for North America but also for the nations of the Caribbean and Central and South America. But there was often a problem. No matter how good our intentions were, our very size may have made it seem that we were exercising a kind of paternalism.

At the time I suggested a new North American accord, I said I wanted to approach our neighbors not as someone with yet another plan but as a friend seeking their ideas, their suggestions as to how we would become better neighbors. I met with President Lopez-Portillo in Mexico before my inauguration and with Prime Minister Trudeau in Canada shortly after I had taken office. We have all met several times since—in the United States, in Mexico, and in Canada. And I believe that we have established a relationship better than any our three countries have ever known before.

Economic Health of the Caribbean Basin

Today I would like to talk about our other neighbors—neighbors by the sea—some two dozen countries of the Caribbean and Central America. These countries are not unfamiliar names from some isolated corner of the world far from home. They're very close to home. The country of El Salvador, for example, is nearer to Texas than Texas is to Massachusetts. The Caribbean region is a vital strategic and commercial artery for the United States. Nearly half of our trade, two-thirds of our imported oil, and over half of our imported strategic minerals pass through the Panama Canal or the Gulf of Mexico. Make no mistake: The well-being and security of our neighbors in this region are in our own vital interest.



Potential Beneficiaries of the Caribbean Basin Initiative, 1980

AREA: 494,684 square miles

POPULATION: 39 million

GDP: \$45 billion

	Area (square miles)	Population (millions of persons)	Gross Domestic Product (\$ millions)	Exports ¹ to U.S. (\$ millions)	Imports ¹ from U.S. (% of total)
Cuba	5,380	.24	1,267	1,302 ²	11
Haiti	166	.25	815	85	34
Dominican Republic	8,866	.16	165	57	44
Jamaica	118	.15	—	3	—
Belize	19,700	2.24	4,847	348	34
El Salvador	18,712	5.43	6,733	634	44
Nicaragua	812	.65	500	37	45
Costa Rica					
Panama					
Colombia					
Venezuela					
Guyana					
Suriname					
French Guiana (Fr.)					
Brazil					
St. Vincent and the Grenadines	8,260	4.50	3,484	404	31
Grenada	42,000	7.26	7,852	423	35
Barbados	83,000	.79	524	123	28
Trinidad and Tobago	10,714	5.01	1,453	240	57
Antigua and Barbuda	43,277	3.69	2,538	432	41
Dominica	4,411	2.19	2,402	380	29
St. Lucia	394	.27	—	2,436 ²	6
Martinique	147,888	2.70	1,566	206	34
St. Pierre and Miquelon	28,753	1.94	3,511	262	22

nations has its own unique position and approach. Mexico and Venezuela are helping to offset energy costs to Caribbean Basin countries by means of an oil facility that is already in operation. Canada is doubling its already significant economic assistance.

We all seek to insure that the peoples of this area have the right to preserve their own national identities, to improve their economic lot, and to develop their political institutions to suit their own unique social and historical needs. The Central American and Caribbean countries differ widely in culture, personality, and needs. Like America itself, the Caribbean Basin is an extraordinary mosaic of Hispanics, Africans, Asians, and Europeans, as well as native Americans.

At the moment, however, these countries are under economic siege. In 1977, 1 barrel of oil was worth 5 pounds of coffee or 165 pounds of sugar. To buy that same barrel of oil today, these small countries must provide five times as much coffee (nearly 26 pounds) or almost twice as much sugar (283 pounds). This economic disaster is consuming our neighbors' money, reserves, and credit, forcing thousands of people to leave for other countries—for the United States, often illegally—and shaking even the most established democracies. And economic disaster has provided a fresh opening to the enemies of freedom, national independence, and peaceful development.

Proposed Economic Program

We've taken the time to consult closely with other governments in the region, both sponsors and beneficiaries, to ask them what they need and what they think will work. And we've labored long to develop an economic program that integrates trade, aid, and investment—a program that represents a long-term commitment to the countries of the Caribbean and Central America to make use of the magic of the marketplace, the market of the Americas, and to earn their own way toward self-sustaining growth.

At the Cancun summit last October, I presented a fresh view of a development which stressed more than aid and government intervention. As I pointed out then, nearly all of the countries that have succeeded in their development over the past 30 years have done so on

the basis of their own resources, developed by trade and investment.

The program I'm proposing today puts these principles into practice. It is an integrated program that helps our neighbors help themselves, a program that will create conditions under which creativity and private entrepreneurship and self-help can flourish. Aid is an important part of this program because many of our neighbors need it to put themselves in a starting position from which they can begin to earn their own way. But this aid will encourage private sector activities but not displace them.

First. The centerpiece of the program that I am sending to the Congress is free trade for Caribbean Basin products exported to the United States. Currently, some 87% of Caribbean exports already enter U.S. markets duty free under the generalized system of preferences. These exports, however, cover only the limited range of existing products, not the wide variety of potential products these talented and industrious peoples are capable of producing under the free trade arrangement that I am proposing. Exports from the area will receive duty-free treatment for 12 years. Thus, new investors will be able to enter the market knowing that their products will receive duty-free treatment for at least the pay-off lifetime of their investments. Before granting duty-free treatment, we will discuss with each country its own self-help measures.

The only exception to the free trade concept will be textile and apparel products because these products are covered now by other international agreements. However, we will make sure that our immediate neighbors have more liberal quota arrangements.

This economic proposal is as unprecedented as today's crisis in the Caribbean. Never before has the United States offered a preferential trading arrangement to any region. This commitment makes unmistakably clear our determination to help our neighbors grow strong. The impact of this free trade approach will develop slowly. The economies that we seek to help are small. Even as they grow, all the protections now available to U.S. industry, agriculture, and labor against disruptive imports will remain. And growth in the Caribbean will benefit everyone with American exports finding new markets.

Third. I'm asking for a supplemental fiscal year 1982 appropriation of \$350 million to assist those countries which are particularly hard hit economically. Much of this aid will be concentrated on the private sector. These steps will help foster the spirit of enterprise necessary to take advantage of the trade and investment portions of the program.

Fourth. We will offer technical assistance and training to assist the private sector in the basin countries to benefit from the opportunities of this program. This will include investment promotion, export marketing, and technology transfer efforts, as well as programs to facilitate adjustments to greater competition and production in agriculture and industry. I intend to seek the active participation of the business community in this joint undertaking. The Peace Corps already has 601 volunteers in Caribbean Basin countries and will give special emphasis to recruiting volunteers with skills in developing local enterprise.

Fifth. We will work closely with Mexico, Canada, and Venezuela, all of whom have already begun substantial and innovative programs of their own to encourage stronger international efforts to coordinate our own development measures with their vital contributions, and with those of other potential donors like Colombia. We will also encourage our European, Japanese, and other Asian allies as well as multilateral development institutions to increase their assistance in the region.

Sixth. Given our special valued relationship with Puerto Rico and the U.S. Virgin Islands, we will propose special measures to insure that they also will benefit and prosper from this program. With their strong traditions of democracy and free enterprise, they can play leading roles in the development of the area.

This program has been carefully prepared. It represents a farsighted act by our own people at a time of considerable economic difficulty at home. I wouldn't propose it if I were not convinced that it is vital to the security interests of this nation and of this hemisphere. The energy, the time, and the treasure we dedicate to assisting the development of our neighbors now can help to prevent the much larger expenditures of treasure as well as human lives which would flow from their col-

The early sign is positive. After a decade of falling income and exceptional high unemployment, Jamaica's new leadership is reducing bureaucracy, dismantling unworkable controls, and attracting new investment. Continued outside assistance will be needed to tide her over until market forces generate large increases in output and employment, but Jamaica is making headway.

Threats to Security

As spoken up to now mainly of the economic and social challenges to development. But there are also other dangers. A new kind of colonialism exists the world today and threatens our independence. It is brutal and totalitarian. It is not of our hemisphere but it threatens our hemisphere and has established footholds on American soil for the expansion of its colonialist ambitions.

The events of the last several years dramatize two different futures which are possible for the Caribbean area: *either the establishment or restoration of moderate, constitutional governments with economic growth and improved living standards; or further expansion of political violence from the extreme left or the extreme right resulting in the imposition of dictatorships and inevitably more economic decline and human suffering.*

The positive opportunity is illustrated by the two-thirds of the nations in the area which have democratic governments. The dark future is foreshadowed by the poverty and repression of Castro's Cuba, the tightening grip of the totalitarian left in Grenada and Nicaragua, and the expansion of Soviet-aided, Cuban-managed support for violent revolution in Central America.

The record is clear. Nowhere in its *disastrous* history have the promises of Communism been redeemed. Everywhere it has exploited and aggravated temporary economic suffering to seize power and then to institutionalize economic deprivation and suppress human rights. Right now, 6 million people worldwide are refugees from communist systems. Already, more than 1 million Cubans alone have fled Communist tyranny.

Our economic and social program cannot work if our neighbors cannot pursue their own economic and political future in peace but must divert their resources, instead, to fight imported terrorism and armed attack. Economic progress cannot be made while guerrillas systematically burn, bomb, and destroy bridges, farms, and power and transportation systems—all with the deliberate intention of worsening economic and social problems in hopes of radicalizing already suffering people.

Our Caribbean neighbors' peaceful attempts to develop are feared by the foes of freedom because their success will make the radical message a hollow one. Cuba and its Soviet backers know this. Since 1978, Havana has trained, armed, and directed extremists in guerrilla warfare and economic sabotage as part of a campaign to exploit troubles in Central America and the Caribbean. Their goal is to establish Cuban-style Marxist-Leninist dictatorships. Last year, Cuba received 66,000 tons of war supplies from the Soviet Union—more than in any year since the 1962 missile crisis. Last month, the arrival of additional high-performance MiG-23/Floggers gave Cuba an arsenal of more than 200 Soviet warplanes—far more than the military aircraft inventories of all other Caribbean Basin countries combined.

For almost 2 years, Nicaragua has served as a platform for covert military action. Through Nicaragua, arms are being smuggled to guerrillas in El Salvador and Guatemala. The Nicaraguan Government even admits the forced relocation of about 8,500 Miskito Indians. And we have clear evidence that since late 1981, many Indian communities have been burned to the ground and men, women, and children killed.

The Nicaraguan junta cabled written assurances to the OAS in 1979 that it intended to respect human rights and hold free elections. Two years later, these commitments can be measured by the postponement of elections until 1985; by repression against free trade unions, against the media and minorities; and—in defiance of all international civility—by the continued export of arms and subversion to neighboring countries.

Two years ago, in contrast, the Government of El Salvador began an unprecedented land reform. It has repeatedly urged the guerrillas to renounce violence, to join in the democratic process—an election in which the people of El Salvador could determine the government they prefer. Our own country and other American nations through the OAS have urged such a course. The guerrillas have refused. More than that, they now threaten violence and death to those who participate in such an election.

Can anything make more clear the nature of those who pretend to be supporters of so-called "wars of liberation"? A determined propaganda campaign has sought to mislead many in Europe and certainly many in the United States as to the true nature of the conflict in El Salvador. Very simply, guerrillas, armed and supported by and through Cuba, are attempting to impose a Marxist-Leninist dictatorship on the people of El Salvador as part of a larger imperialistic plan. If we do not act promptly and decisively in defense of freedom, new Cubas will arise from the ruins of today's conflicts. We will face more totalitarian regimes tied militarily to the Soviet Union; more regimes exporting subversion; more regimes so incompetent yet so totalitarian that their citizens' only hope becomes that of one day migrating to other American nations, as in recent years they have come to the United States.

I believe free and peaceful development of our hemisphere requires us to help governments confronted with aggression from outside their borders to defend themselves. For this reason, I will ask the Congress to provide increased security assistance to help friendly countries hold off those who would destroy their chances for economic and social progress and political democracy. Since 1947, the Rio Treaty has established reciprocal defense responsibilities linked to our common democratic ideals. Meeting these responsibilities is all the more important when an outside power supports terrorism and insurgency to destroy any possibility of freedom and democracy. Let our friends and our adversaries understand that we will do whatever is prudent and necessary to insure the peace and security of the Caribbean area.

ity for the countries of North America, the Caribbean and Central American area is not an end in itself but a means to an end. It is a means toward building representative and responsive institutions, toward strengthening pluralism and free private institutions—churches, free trade unions, and an independent press. It is a means for nurturing the basic human rights that freedom's foes would stamp out. In the Caribbean we above all seek to protect those values and principles that shape the proud heritage of this hemisphere. I have already expressed our support for the coming election in El Salvador. We also strongly support the Central American Democratic Community formed this January by Costa Rica, Honduras, and El Salvador. The United States will work closely with other concerned democracies inside and outside the area to preserve and enhance our common democratic values.

We will not, however, follow Cuba's lead in attempting to resolve human problems by brute force. Our economic assistance, including the additions that are part of the program I've just outlined, is more than five times the amount of our security assistance. The thrust of our aid is to help our neighbors realize freedom, justice, and economic progress.

We seek to exclude no one. Some, however, have turned from their American neighbors and their heritage. Let them return to the traditions and common values of this hemisphere, and we all will welcome them. The choice is theirs.

The Need for Assistance

As I have talked these problems over with friends and fellow citizens here in the United States, I'm often asked, "Why bother? Why should the problems of Central America or the Caribbean concern us? Why should we try to help?" I tell them we must help because the people of the Caribbean and Central America are in a fundamental sense fellow Americans. Freedom is our common destiny. And freedom cannot survive if our neighbors live in misery and oppression. In short, we must do it because we're doing it for each other.

Our neighbors' call for help is addressed to us all here in this country—to the Administration, to the Congress, to millions of Americans from Miami to Chicago, from New York to Los

Angeles, to San Francisco, to the Caribbean Basin, and South America. The Western Hemisphere does not belong to any one of us—we belong to the Western Hemisphere. We are brothers historically as well as geographically.

Now, I'm aware that the United States has pursued good neighbor policies in the past. These policies did some good, but they're inadequate for today. I believe that my country is now ready to go beyond being a good neighbor to being a true friend and brother in the community that belongs as much to others as to us. That, not guns, is the ultimate key to peace and security for us all.

We have to ask ourselves why has it taken so long for us to realize the God-given opportunity that is ours. These two great land masses north and south, so rich in virtually everything we need—together our more than 600 million people can develop what is undeveloped, can eliminate want and poverty, can show the world that our

own customs and language and culture but sharing a love for freedom and a determination to resist outside ideologies that would take us back to colonialism.

We return to a common vision. Nearly a century ago a great citizen of the Caribbean and the Americas, Jose Marti, warned that "Mankind is composed of two sorts of men—those who love and create and those who hate and destroy." Today more than ever the compassionate, creative peoples of the Americas have an opportunity to stand together; to overcome injustice, hatred, and oppression; and to build a better life for all the Americas.

I have always believed that this hemisphere was a special place with a special destiny. I believe we are destined to be the beacon of hope for all mankind. With God's help, we can make it so. We can create a peaceful, free, and prospering hemisphere based on our shared ideals and reaching from pole to pole of what we proudly call the New World.■

Reflections Among Neighbors

**Secretary Shultz
OAS General Assembly
Washington, D.C.
November 17, 1982**

I'm here more to listen than to talk. Moreover, though I have visited nearly all of the countries represented in our organization—some of them many times—this is the first time I have participated in a meeting of the OAS.

Last February, in the speech before the OAS Permanent Council in which he announced the Caribbean Basin initiative, President Reagan emphasized the major themes of his Administration's Latin American policy: democracy, self-determination, economic development, and collective security. "These two great land masses north and south," he said, "... can show the world that our many nations can live in peace, each with its own customs and language and culture but sharing a love for freedom and a determination to resist outside ideologies that would take us back to colonialism."

and economic potential concentrated in this hemisphere.

I come today before this General Assembly convinced that the inter-American system is vital to peace and security for the nations of this hemisphere. We have, over the years, formulated a juridical base for keeping the peace, for resolving disputes, and even for the sovereignty of our nations. Independence, sovereignty, and nonintervention are themes that run through our charter, the record of our meetings, and our inter-American experience. We have advanced these ideas further than other collective bodies and we have been well served by them.

I don't propose even to try to cover every issue before this assembly but rather to concentrate on a few of my main reflections as I join this discussion among neighbors and friends.

Keeping the Peace

One set of reflections is about the nature of the Inter-American system itself—of

and Rio Treaty the formal guarantees, but which also consists of a great network of bilateral and multilateral relationships among the American states.

Geography makes us neighbors.

History, religion, and the shared experience of the frontier make us friends. There is far more that unites us in this hemisphere than can ever divide us. That in itself is enough to explain why each of us participates in the system. But it is probably not what has made the system durable and valuable.

The striking thing to me, thinking over what has occurred in our lifetimes, is the success the American states have had in preventing war. True enough, there was the Chaco War in the 1930s; then conflicts between Costa Rica and Nicaragua, Ecuador and Peru, and El Salvador and Honduras; most recently, the tragic South Atlantic crisis we tried so hard to prevent. Also, there have been violent insurgencies, often manipulated from outside.

But for all the territorial disputes that divide us, for all the internal struggles that threaten us, these are the only instances of war between states in a half century in which every other part of the world has been convulsed in war. In a climate of general security we each have been able to avoid the levels of military expenditures that countries in other less fortunate regions could not dispense with. The developing countries of the Americas have been able to limit defense spending to 1.4% of gross national product, a quarter of what the developing world as a whole spends on military preparations. And although our global responsibilities impose a heavy burden of military expenditures, the United States does not and need not fortify borders with its neighbors.

One reason why the inter-American system has proved so durable and valuable must be that in most cases it has kept the peace. Since 1948, the OAS has been called upon formally or informally on no less than 50 separate occasions involving the settlement of disputes. From the Cuban missile crisis to local border conflicts, the inter-American system has contributed, often decisively, to keeping the peace.

But will it in the future? We know that war came to the South Atlantic

conflicts have been exploited from the outside, can threaten the peace. And despite a variety of agreements and even treaties, we are well aware that it has been a long time since one of the territorial disputes among us has been definitively settled.

Once actually confronted with crisis, I have no doubt that we will all react with good intentions, urging negotiations, offering good offices. But recent experience suggests that could be too late. Good intentions matter, but they are not enough.

Take Central America as an example. Everyone seems to be talking peace. Yet most states in this area are challenged by insurgency. They are threatened by economic and political strife. They have brought in foreign military advisers, in one country in very large numbers.

Clearly, no strategy for peace can succeed if those who take up arms against their fellow citizens and neighbors go unopposed. That principle applies in Central America as well as elsewhere. Peace is impossible without security. Our security assistance programs, for El Salvador and for our other threatened friends, stem from that basic consideration. Neither democracy, nor human rights, nor socioeconomic equity are possible in a climate of insecurity, where hostile neighbors or violent internal minorities make war on society.

But if peace requires strength, strength in turn infuses an obligation to make peace. Fortunately, not all of the conditions for war are present in Central America. Most states still lack the major offensive weapons that would be needed for an attack on their neighbors. That may give us our opening. Why shouldn't we encourage the governments of Central America to agree, all of them, on a basis of reciprocity and strict verification, not to import major offensive weapons?

Clearly that's only part of the solution, but it would be a start. There will be danger to peace as long as foreign troops or military advisers are present. Why not go for agreement among Central American countries, again on a basis of reciprocity and verification, to reduce their numbers to some low

levels, to prevent them from becoming a threat to the peace. If the conditions for war are present, if the threat to the peace is real, then the threat to the peace must be met. If the threat to the peace is real, then the threat to the peace must be met. If the threat to the peace is real, then the threat to the peace must be met.

Reconciliation leads to that fundamental value, democracy. We all know that in the end there is no enduring stability and legitimacy without it. We also know that democracies are far less likely to go to war than governments whose leaders need not obtain the consent of the people. In Central America the democratic transformation of all the states in the area is not only a desirable step that each may set for itself; it may well be a precondition for a durable peace.

A number of countries, meeting in San Jose recently, went through a similar thought process, trying to identify the conditions for peace in the area. If the countries of Central America could all agree on these conditions, the next step would be to begin to discuss how they could be implemented. My point is simple. If you can identify the fundamental elements of a problem, you have some chance of solving it. If you can't, no amount of negotiations or good offices will help.

And, of course, should one Central American country attack another, the Rio Treaty is there to protect the victim and restore peace. If it is clear in advance that it will be invoked, the treaty will have a deterrent effect—as it has had in so many circumstances since it was signed.

Of course, the Central American situation is not the only threat to hemispheric peace. The South Atlantic war of this spring has reminded us of how many boundary and territorial disputes remain unsettled in our region and of the potential cost of leaving these unaddressed.

The United States, while traditionally neutral on the particular claims asserted in regional territorial and boundary disputes, is not neutral on the overriding principle of peaceful dispute settlement. This implies an obligation on both parties to a dispute to seek effective means of peaceful resolution, either by negotiations, perhaps with OAS

The OAS pioneered the development of international mechanisms for such purposes throughout this century; it must now show leadership in promoting their use.

This is advice that the United States itself follows: We are currently in litigation with Canada, in a special chamber of the International Court of Justice, over the delineation of our important maritime boundary in the Gulf of Maine.

Earlier this month we were pleased to support a balanced resolution on the Falklands/Malvinas question in the United Nations. We could support in this body a similar resolution. We hope that both actions will prove effective in promoting a peaceful solution to this dispute.

Finally, let me take one more case—nuclear explosives. We are undertaking a new effort to persuade the Soviet Union that its security and that of the United States can be protected and enhanced by reducing the numbers of nuclear weapons. While that effort proceeds, there is a strategy open to us to avoid the introduction or creation of nuclear arms in those countries of the hemisphere which have so far been free of them. This is the strategy conceived and launched at Tlatelolco in 1967 to protect against the use or threat of nuclear weapons and which led to a treaty already in effect for 22 Latin American and Caribbean countries. One of the most potentially serious sources of tension and war could be eliminated if the nuclear-weapons-free zone of the Tlatelolco Treaty were to be ratified by all eligible states.

In sum, the inter-American system has helped produce a great achievement: a general if not total freedom from war. Preserving that achievement is a major challenge for the future.

Economic Management

My second group of reflections concerns the management of our economies. We are all members of the world economy and not dependent on the inter-American system for the management of our economies in the same way we are for the preservation of peace. Yet what each of us does—in the management or mismanagement of our domestic economies—can greatly affect others in the hemisphere positively or negatively.

For the developing countries of the hemisphere, this last generation has

experienced the highest in the world rate of growth in the domestic product, among the highest in the world rate of expansion of external factors—substantial expansion of markets in the United States for hemispheric exports; the opening up of trade within South America, within Central America, and within the Caribbean; the development of new markets in Europe and Japan; major increases in private investment, in borrowings from multilateral development banks, and above all in commercial bank loans—have contributed much too. U.S. imports from Latin America and the Caribbean have grown from \$4 billion in 1960 to \$39 billion in 1980, which averages out to a compound growth rate of more than 12% a year for the last 20 years. This is in nominal terms and includes the price escalation on petroleum, but even so it is impressive when compared to U.S. inflation, which averaged about 5% during this period.

The mix between internal and external factors has varied from country to country. In some cases favorable external conditions have compensated for domestic rigidities; in others, unfavorable external developments have undermined otherwise sound development plans. One point is evident: Size has not been a determinant of success. You don't have to be large to succeed.

Until recently, the balance was positive: We were all enjoying the fruits of growth—the developing countries of the hemisphere at the phenomenal rate of nearly 6% a year in real terms for 20 years. Put another way, the economic size of Latin America has tripled in absolute terms since 1960. And although much of the conventional wisdom emphasizes diversification of trade, Western Hemisphere countries still matter enormously to each other. In 1980, trade within the hemisphere as a whole—including Canada—came to \$155 billion, 42% of the hemisphere's total trade with the world. Latin America taken as a whole is the United States' biggest customer.

Now we are all in a period of adjustment, including the United States. Many of us, including the United States, must compress our budget deficits and control our money supply if we are to master inflation and create the conditions for renewed growth. This is a process that begins at home, where we must each accept primary responsibility for correcting the excesses of the recent past. But falling world trade volume; interest

trade; and the ripple effects of one country's financial difficulties on another—all complicate our individual adjustment.

Nothing would be more devastating than a wave of import protectionism now. Yet such a wave threatens to burst in a number of countries, including my own. As is often the case, the way to avoid going backward is to go forward. Our best collective tactic, it seems to me, is to build in new worldwide defenses through the General Agreement on Tariffs and Trade (GATT)—a joint standstill in protectionist measures and a commitment to broaden and deepen the GATT in North-South trade and trade in services. That is the task of the GATT ministerial that convenes next week. It is a task to which each and every one of us must contribute, for the inevitable alternative to keeping the world trading system mutually open is the kind of disaster that engulfed the world in the 1930s.

It would be equally devastating if debtors and creditors were to fail to find those mutual accommodations that will permit borrowing countries to have sustained access to the financial markets. Just as borrowers must cut their current account deficits, raise domestic interest rates, and keep exchange rates realistic, so lenders should in some cases be ready to restructure or, in exceptional cases, reschedule. Borrowers must look realistically to their responsibilities. And lenders should recognize that stabilization programs will be more likely to succeed if accompanied by net flows of new money.

The International Monetary Fund can play an essential role in this process by providing new money on a selective basis while helping countries to define stabilization programs. And in some cases individual countries can appropriately facilitate the adjustment by providing short-term credit to allow time to negotiate a Fund agreement, as in the case of the credit arranged for Mexico in August.

This is a long chain of actions that must be taken in a mutually supportive way. It starts at home. It requires sacrifices. It involves both private entities and governments. And it will require a high order of mutual confidence to succeed. But we must succeed. It is quite clear that the penalties for failure could be enormous.

Beyond the adjustment, of course,

economy is now poised for just that. As always it will succeed only if there is new investment and new savings. But it is not too early to begin thinking through the requirements for sustained growth in the hemisphere. Having a disproportionate share of the world's growth potential, this hemisphere should provide a substantial impulse to the renewed momentum for global expansion.

The Balance of Interdependence

That brings me to my third set of reflections, on what you might call the *balance of our interdependence*. No one doubts that we depend vitally on each other, for our prosperity, for our security, for peace. We can celebrate it—or we can deplore it—but it is a fact. This year's crises—in finance, in the South Atlantic, in Central America—have underscored it.

But it is also natural that we should each be concerned about the balance of mutual accommodation. Some of the most difficult and important questions in international relations revolve around relations among neighbors. If we have to adjust our economies, who should adjust more or most? If we must compromise to keep the peace, who should go the longest way? And how do you measure it?

I think we all agree that matters such as these must not be decided simply by might or size but by principle and concept. I do not mean by that that we should attempt to write a book of codes anticipating every situation and dictating pre-agreed rules of the game. But we should always be prepared to examine together the justice and consistency of our actions, so that a balance acceptable to all can emerge.

One important way of extending the range of long-term options—at least for some of the most vulnerable states—is

the Caribbean Basin initiative. President Reagan's trade and investment proposals will be up for decision in the Congress later this month. These trade and investment incentives exemplify the creative mutual adjustments needed to spur growth. They will help to unleash in behalf of long-term growth the drive of the private sector as an engine of development financing, technical innovation, and productive employment. The stimulus they will provide will go far to insuring the productivity of the emergency assistance already being disbursed.

The breadth and originality of the Caribbean Basin initiative have led to some interesting side effects. One is that we have decided to increase special funds to the OAS to provide training opportunities for Caribbean Basin countries. Another is the realization that most of the peoples of the hemisphere now live in countries that have attained relatively advanced levels of development. These so-called "middle-income" countries properly receive less traditional public assistance than do poorer countries—yet they are also, precisely because of their relative development, countries that are ready for new kinds of partnership to accelerate balanced development. The issue here, it seems to me, is less one of money rather than of dynamism, creativity, and entrepreneurship. But it is an issue very much worth keeping in mind as we seek ways to develop greater balance within the hemisphere.

Democracy

Finally, let me conclude with a word about democracy in the hemisphere. Our record is uneven. For some countries—Colombia, Costa Rica, Mexico, Venezuela, Barbados, Jamaica, Trinidad, indeed most of the Caribbean—democratic institutions have functioned without interruption for a generation and more. Other countries have faced instability despite long democratic periods. A few have experienced only interludes of democratic governance.

But what is most striking is that democracy is everywhere the hemisphere's recurring ideal and practical standard. In fact, our collective commitment is so strong that sometimes I think even the criticism of our failings is intensified by it. Certainly, the Inter-American Human Rights Commission has no equal in any other region of the world.

Am I not right in thinking that our practice of democracy is making progress? In the last few years, Ecuador, Honduras, and Peru have all fully reaffirmed their democratic traditions. The Dominican Republic has sustained its newer tradition. Brazil's *abertura*, so strikingly underscored by Monday's elections, has been underway for a decade. And today, Argentina's and Uruguay's commitment to a return to democratic politics, Bolivia's new elected government, and the democratic transformation in El Salvador—all offer genuine hope for the future.

I know that much remains to be accomplished, that sharp swings have taken place in the past, that gains already made have not in all cases been fully consolidated. But more than two-thirds of our membership—21—now have governments chosen through open, competitive elections. And more will soon join that list.

One of the principal reasons for President Reagan's trip to several countries of Latin America beginning the end of this month is, in fact, to underscore this democratic momentum, to bolster it, and to emphasize our own firm commitment to that process.

If this trend holds, it will be the greatest achievement of the Americas. I can think of no more urgent business for this organization than to find ways in which the gains for democracy already made can be protected and additional gains made. For democracy strengthens both the peace and the ability to cooperate. ■

The United States and Brazil

President Reagan
U.S. and Brazilian Leaders
Sao Paulo
December 2, 1982

Governor [Jose Maria] Marin, *obrigado*. Thank you very much. I have looked forward to this day. It is an honor to speak to men and women of enterprise here in Sao Paulo. This city was built by innovative and hard work in a spirit of confidence and hope.

I bear heartfelt wishes of friendship from your neighbors to the North who, like you, are Americans, citizens of this new world. Like you, they yearn deeply for peace, share your love for democracy, and your commitment to build a future of progress and opportunity. On their behalf, to all of you, I say *estamos como Brasil. E nao mudamos*. We are with you Brazil. We will not waiver.

We look to Brazil with the admiration and respect that is due a great nation. One of your renowned writers, Monteiro Lobato, lived in our country in the 1920s and 1930s. While there, he wrote a book called, "America," in which he said, "The Brazilian considers his country the marvel of marvels, but with one single defect, that is it not known well abroad." If he were writing today, he could still say Brazil is the marvel of marvels, but he would have to admit that your reputation has caught up with your achievements.

We hear it said, in a world wracked by political tensions, recession, poverty, energy shocks, debt, high interest rates, and inflation, that there is little hope for a new era of lasting growth and prosperity. I would never minimize the problems we face, or the urgent need to deal effectively with them. I will talk about them in a moment. But you know I just have to say that I have been around for quite a few years now. I keep being reminded of that. I have lived through world wars and economic depression, and what has impressed me even more than those terrible crises is mankind's unending courage to bounce back, to

solutions. To all those doom-criers—and they are worldwide—we have a message. The hope of the world lives here in the New World, where tomorrow is being built today by brave pioneers like yourselves, people who believe in each other and who will never lose their faith in the future.

In that remarkable speech that President Figueiredo gave to the United Nations, he expressed his confidence in the world community's capacity for renewal. He said of Brazil, "we have made considerable efforts toward economic development, with promising results which fill with hope not only the people of Brazil, but also all peoples yearning to attain standards of living compatible with human dignity and modern development. I share his confidence. May I also share with you today a dream that I've long had? A dream of strengthening our relations with Brazil and with all our neighbors here in the Western Hemisphere. On this shrinking planet, the drive for renewal, economic progress, and the leadership for world peace must increasingly come from the New World. Here, we are blessed with great abundance: resources, technology, and, most important, the spirit of freedom—a spirit that harnesses our energies to pursue a greater good.

There is, in the world today, a counterfeit revolution, a revolution of territorial conquest, a revolution of coercion and thought control, where states rule behind the barrel of a gun and erect barbed wire walls, not to keep enemies out but to keep their own people in. The real revolution lives in principles that took root here in the New World. The first principle says that mankind will not be ruled, in Thomas Jefferson's words, "by a favored few." The second is a pledge to every man, woman, and child: No matter what your background, no matter how low your station in life, there must be no limit on your ability to reach for the stars, to go as far as your God-given talents will take you.

Trust the people; believe every human being is capable of greatness

build, only when they are given a personal stake in deciding their destiny, and benefiting from their own risks—only then do societies become dynamic, prosperous, progressive, and free.

In terms of geography, Brazil is of the South and the United States the North. But in terms of historical ties and fundamental values, we are nations of the West and the New World. And we are among the few nations which exercise worldwide influence and responsibility. As Americans from the North or South, whether we are leaders in government or private industry, we must work harder to break down barriers to opportunity for our people. We must marshal every possible asset for growth. We must insist on sound economic policies at home and more open trading and financial systems around the world.

The great republics of South and North America and the Caribbean have virtually unlimited potential for economic development and human fulfillment. We have a combined population of more than 600 million people. Our continents and islands boast vast reservoirs of food and raw materials. The markets of the Americas have produced high standards of living. We offer hope to oppressed and impoverished people. We are nations of immigrants. Our resources have made the New World a magnet for migration from all continents. But it has been the vision, the enterprise, the skill, and the hard work of our people that has created our wealth and well-being.

The developing countries of this hemisphere have achieved a record of soaring growth over the last generation—growth in savings, investment work, and resources; growth from open world markets for trade and finance; growth from private initiative, risk, and reward—the cornerstone of both economic and political freedom. When we, in the States, look at Brazil we see the success of an economy that grew four-fold in 20 years, doubling per capita income: the promise of tomorrow in

leadership and vision in daring projects like Itaipu—which will be the largest hydroelectric dam in the world; a strong energy substitution drive, including the alcohol fuel program which will give you more power than half your automobiles by 1985. We, also, see Brazil's modern pioneers exploring a frontier as challenging as the Amazon: the Amazon. Today, I would like to propose an invitation to you—to have a Brazilian astronaut train with ours so that Brazil and the United States can one day participate in a shuttle launch together as equals in Space.

Last night, I told President Figueiredo that the United States has confidence that Brazil will overcome its difficulties just as the United States will overcome its own. But we face serious problems. Your economy has been in recession, and so has ours. In the next decade, we must both provide millions of jobs for our people. By taking the necessary steps now, our countries can lead the world toward a new era of growth, but this time, growth without the disastrous aftermath of runaway inflation and interest rates.

Three things are essential for full recovery and development. We must each move to correct our domestic, economic, and financial problems. We must protect the integrity of the world's trading and financial systems. And we must work together to help the international system evolve and better assure mutual prosperity.

First, the most important contribution that any country can make is to get its own economic and financial house in order. Many countries, including our own, did not do so. Somewhere along the way, the leaders of the United States forgot how the American growth miracle was created. We substituted government spending for investment to stimulate productivity, a bulging bureaucracy stifled private innovation and job creation, we offered rewards for risktaking and hard work, and government subsidies and deregulation for discipline and competition from the magic of the market.

For the United States, the way back has been hard. When my Administration took over, we faced record interest rates, runaway inflation and the highest peacetime unemployment in our history. Our recovery

that will put the United States back on the cutting edge of growth. We have cut the growth of Federal spending by nearly two-thirds, and soon we will have reduced personal income tax rates by 25%—well more than that, total tax rates. We have cut the top rate of tax on interest and dividend income; introduced strong, new incentives for savings; encouraged capital formation by permitting more rapid depreciation of plant and equipment; and aggressively pursued deregulation of markets in energy, transportation, and finance.

Many of these reforms have been in place for barely a year. Much more remains to be done. You can't wipe away decades of sin with 1 year of penance. But confidence is returning to the United States. We believe recovery is in sight. Inflation and interest rates have been brought down dramatically. Real wages are increasing for the first time in 3 years. Productivity is up sharply. Venture capital in small business—the best source of job creation and technological innovation—is near a record. The personal savings rate is at a 6-year high. Our equity markets have made an historic advance on recordbreaking volume. And our bedrock industry, housing, has begun to rebound. We are also seeing signs of strength in auto sales.

We believe the door is now opening to a lasting, broadbased economic expansion over the next several years. As the world's largest single market, a prosperous, growing U.S. economy will mean increased trading opportunities for our friends in the developing world. Brazil is preparing to take advantage of these opportunities. Your country has been making the difficult reforms needed to renew expansion.

Second, all of us are trying to work our way free from this tenacious recession. But we can always make a bad situation worse by damaging those powerful engines of growth—the world's trading and financial systems.

Over the last 20 years, Brazil has exported an expanding range of industrial and agricultural products, while developing its own raw material resources. Your role in the international trading system is now indispensable. Your potential is enormous. There are some in the industrial world who view your success with apprehension. They fear being

developing world. Likewise, there are some in the developing world who attribute persistent poverty to industrial powers, whom they accuse of exploitation.

I can't accept either argument. One need only look at the U.S. exports to the developing countries of this hemisphere—which have increased six-fold in a decade, the same as imports—to see that new competition brings new opportunities. With so many out of work—in my country, yours, and others—protectionism has become an ugly spectre stalking the world. One danger is protection against imports, erecting barriers to shut out the competitive goods and services of others in one's own market. Another danger is protection of exports, using artificial supports to gain competitive advantage for one's own goods and services in the markets of others. The aim of these actions may be to protect jobs, but the practical result, as we know from historical experience, is the destruction of jobs. Protectionism induces more protectionism and this leads only to economic contraction and, eventually, dangerous instability.

Third, our crisis today is not between North and South, but between universal aspirations for growth and the longest worldwide recession in postwar history.

But let us also acknowledge another fundamental fact of economic life: This recession has had a particularly painful impact on developing countries. They have suffered declining demand in world markets and falling access to financial markets. This greatly complicates our collective recovery. So, if it is inevitable that borrowers must move to restrict their deficits, it's equally important that countries like Brazil that adopt effective stabilization plans be assured of continued financing. Lenders and borrowers must remember that each has an enormous stake in the other's success.

I concur with your President that we need solidarity and understanding. Last February I spoke before the OAS in Washington. I pledged that our Administration would seek a new relationship with the nations of the Caribbean, and Central and South America. I said that we would approach our neighbors not as someone with still another plan, but as a friend, pure and simple—one who seeks their ideas and suggestions on how we could become better neighbors.

with you to help the international system evolve in ways that better assure our mutual prosperity, and we will go forward.

To handle the liquidity crisis, we have agreed that the IMF resources should be increased. We have also proposed a special borrowing arrangement to make sure that the IMF will have adequate funds to carry out its function. The leading developing nations should all enter the world trading system as full partners. Then they can share more fairly in the gains from trade and, at the same time, assure more fully the obligations of the trading system. All we ask is that we examine together the mutual trading gains that can be achieved through reciprocal action. I have enormous confidence in the methods that have brought unprecedented benefits in the past.

- We must improve the mechanisms for the settlement of trade disputes to take economic quarrels out of the

conflicts on criteria we all respect.

- We must complete unfinished business—trade in agriculture which has resisted liberalization in the post-war years, and agreed rules on safeguards in the event of injury that provide for transparency and equity.

- We must look forward to the emerging challenges of the 1980s, such as trade in high technology products and processes—processes; then, to devise rules will insure we do not impede the growth potential of the technological revolution.

Finally, let us remember that just as progress is impossible without peace, economic growth is a crucial pillar of peace, beckoning with brighter horizons all who dream of a better life.

To deter aggression the United States must and will remain militarily strong. When I met with His Holiness Pope John Paul II, I gave him the

everything possible for peace and arms reduction. For the sake of the children of the world, we're working to reduce the number and destructive potential of nuclear weapons. We're working to end the deadlock between Israel and her Arab neighbors, and we're working, as you are, to preserve the peace in this hemisphere.

When Pope John Paul visited here in 1980, he said to young Brazilians, "Only love can build." From the moment we arrived in this land of spectacular beauty and unbounded energy, we have been touched by the special warmth of the Brazilian people.

We've come to know the heart of Brazil. We will say goodbye knowing her heart is strong; her heart is true; her heart is good. Brazil will build. You will grow. And by your side will be the United States—your partner in the New World, a partner for progress, a partner for peace. *Estamos como Brasil. E nao mudamos.* ■

Struggle for Democracy in Central America

**Secretary Shultz
World Affairs Council and
Chamber of Commerce
Dallas
April 15, 1983**

I thought about what I might discuss here, and there's always a temptation for a Secretary of State to go around the world and make a few comments about this place and that place. But it seemed to me right now and right here that the subject to talk about should be Central America because it's very much on our minds in Washington, and I'm sure it's very much on your minds right here, close as in the sense you are.

I think that any discussion of Central America must address three questions.

- First of all, why should we care about Central America?
- Second, what's going on there now?

Importance to the U.S.

The questions are important, and I'll try to answer them plainly and clearly. I think, first of all, that Central America's importance to the United States cannot be denied. Central America is so close that its troubles automatically spill over onto us; so close that the strategic posture of its countries affect ours; so close that its people's suffering brings pain to us as well.

I need not remind Texans that only the stability of our neighbors will prevent unprecedented flows of refugees northward to this country. Especially now, when a troubled world economy invites unrest, we must safeguard democracy and stability in our immediate neighborhood.

I did not use the word "strategic" lightly. Despite the 1962 Cuban missile crisis, and despite last year's war between Argentina and the United Kingdom, most Americans think of Latin America as not involved in the global strategic balance. People are

stationed in Africa, or that 2,000 Cuban military and security advisers are in Nicaragua. Some of you may also not have noticed that Nicaragua's Minister of Defense said on April 9 that Nicaragua would consider accepting Soviet missiles if asked.

In the great debate about how best to protect our interests in the Panama Canal, the only thing all sides agreed on was that the canal is critical and must be kept open and defended. Yet the security of the Panama Canal is directly affected by the stability and security of Central America.

The canal itself is but a 50-mile span in thousands of miles of sealanes across the Caribbean. In peacetime, 44% of all foreign trade tonnage and 45% of the crude oil to the United States pass through the Caribbean. In a European war, 65% of our mobilization requirements would go by sea from gulf ports through the Florida Straits onward to Europe.

During World War II—just to remind you again—our defenses were so weak, our lifeline so exposed, that in the first months of 1942 a handful of enemy submarines sank hundreds of ships in the Caribbean and the Gulf of Mexico and did it more easily and faster than did Hitler's whole fleet in the North Atlantic. The Caribbean was a better target for them. Almost exactly 41 years ago a Mexican tanker—running with full lights, as was the custom for neutrals—was sunk off Miami. That night, a single submarine, U-159, sank eight American ships in 4 days, two of them just off the entrance to the Panama Canal. Remember, Hitler's Germany had no bases in the Caribbean, not even access to ports for fuel and supplies.

Most Americans have assumed that, because the Soviet Union knows that we will not accept the emplacement of strategic weapons in Cuba, we had nothing more to fear. It's true that there are no nuclear weapons in Cuba, and it is true that Cuba's communist utopia has avoided such an economic disaster that it is entirely dependent on massive Soviet aid to the tune of some \$4 billion annually. Yet this has not kept Cuba from poring itself as the vanguard of a better future and mounting a campaign to establish new communist dictatorships in Central America.

The Danger in Central America

There are some people I know who think that the Administration are exaggerating the danger. Let me, however, read you this quote:

The revolutionary process of Central America is a single process. The triumphs of one are the triumphs of the other. . . . Guatemala will have its hour. Honduras its. Costa Rica, too, will have its hour of glory. The same note was heard in Nicaragua.

In case you're wondering, the speaker was not an Administration spokesman. That confident prediction comes from Cayetano Carpio, principal leader of the Salvadoran guerrillas in the August 25, 1980, edition of the Mexican magazine *Proceso*. Look it up. Our analysis, our strategy, our predictions for the future of Central America are rooted in two perceptions. One is that democracy cannot flourish in the presence of extreme inequalities in access to land, opportunity, or justice.

The second perception is that Mr. Carpio and his allies are exploiting such inequities for antidemocratic ends.

I quoted a terrorist leader because it is beliefs like his, backed by armed violence, that so concern our friends in Central America. In Costa Rica, where democracy and respect for human rights are an ancient tradition; in Honduras, where democratic institutions are catching hold; in El Salvador, where democracy is beginning to work; even in Nicaragua, where disillusionment is the order of the day.

Ask the people who live there. They will tell you, as they have told us—through their governments, in their public opinion polls, and in their newspaper and radio editorials—that the revolution about which Carpio boasts is a frightening phenomenon: a direct threat to their democracy and well-being. They will tell you that we North Americans should also be concerned. Not because Mr. Carpio will tomorrow lead an FMLN [Farabundo Marti National Liberation Front] battalion across the Rio Grande, but because the cause of democracy and human rights is our cause too.

Frankly, I agree. We cannot in good conscience look the other way when democracy and human rights are challenged in countries very near to us, countries that look to us for help. President Reagan put it well last month: "Human rights," he said, "means working at problems, not walking away from them."

U.S. Strategy

So the key question is: What should we do? A primary element of our strategy must be to support democracy, reform, and the protection of human rights. Democracies are far less likely to threaten their neighbors or abuse their citizens than dictatorships.

The forces of democracy are many and varied. Some are deeply rooted, as in Costa Rica, which has known nothing but democracy for 35 years. Others are more fragile but have grown steadily as economic development has strengthened the middle class and as trade unions and peasant organizations are making pluralism a reality. The Catholic Church has also made important contributions to democracy and social progress. So also

has the United States through culture, example, and more recently through diplomacy as well.

The forces of dictatorship are of two kinds. One is old, the other new. The old variety is that of economic oligarchy, political despotism, and military repression. Except for Costa Rica, this has been the traditional method of social organization for most of Central America's history. The new form of dictatorship is that of a command economy, a self-appointed elitist vanguard, and guerrilla war. Nicaragua has become its base, all of Central America its target.

Before the Sandinistas came to power in Nicaragua in 1979, they promised free elections, political pluralism, and nonalignment. Today every one of these promises is being betrayed. First the Sandinistas moved to squeeze the democrats out of the governing junta; then to restrict all political opposition, all press freedom, and the independence of the church; then to build what is now the largest armed force in the history of Central America; then to align themselves with the Soviet Union and Cuba in subverting their neighbors.

El Salvador became the first target. In 1980, at Cuban direction, several Salvadoran extremist groups were unified in Managua, where their operational headquarters remains to this day. Cuba and its Soviet-bloc allies then provided training and supplies which began to flow clandestinely through Nicaragua to El Salvador to fuel an armed assault. The communist intervention has not brought guerrillas to power, but it has cost thousands of lives and widened an already bitter conflict. Today El Salvador hangs in the balance with reforming democrats pitted against the forces of old and new dictatorships alike.

The struggle for democracy is made even more difficult by the heavy legacy of decades of social and economic inequities. And in El Salvador, as elsewhere, the world recession has hit with devastating effects.

We must also, therefore, support economic development. Underdevelopment, recession, and the guerrillas' "prolonged war" against El Salvador's economy cause human hardship and misery that are being cynically exploited by the enemies of democracy. Three-quarters of the funds that we are spending in support of our Central American policy go to economic assistance. And our eco-

trade and investment incentives to help these countries achieve self-sustaining economic growth.

But just as no amount of reform can bring peace so long as guerrillas believe they can win a military victory, no amount of economic help will suffice if guerrilla units can destroy roads, bridges, power stations, and crops again and again with impunity. So we must also support the security of El Salvador and the other threatened nations of the region.

Finally, faced with a grave region-wide crisis, we must seek regional, peaceful solutions. We are trying to persuade the Sandinistas that they should come to the bargaining table, ready to come to terms with their neighbors and with their own increasingly troubled society.

El Salvador

Let's now look at how this strategy works in practice, and let me turn first to El Salvador. The basic fact about El Salvador today is that its people want peace. Because they do, they have laid the essential groundwork for national reconciliation and renewal. Let me give you some details.

First. Even in the midst of guerrilla war, respect for human rights has grown. Violence against noncombatants is still high, but it has diminished markedly since our assistance began 3 years ago. The criminal justice system does remain a major concern, and I'll come back to that in a moment.

Second. In 3 short years and despite determined guerrilla opposition, El Salvador's Government has redistributed more than 20% of all arable land. Some 450,000 people—about 1 Salvadoran in every 10—have benefited directly and have acquired a personal stake in a secure future.

Third. The general economic situation is poor. Just to stay even this year, El Salvador will need substantial economic assistance to import seed, fertilizer, and pesticides for its farms and raw materials for its factories.

The economic crisis stems in part from the international recession which has depressed prices of agricultural ex-

change. But the more serious problem is the guerrilla war against the economy. Some of the most fertile land cannot be cultivated because of guerrilla attacks. They have destroyed 55 of the country's 260 bridges and damaged many more.

The national water authority must rebuild 112 water facilities damaged by guerrilla action; 249 attacks on the telephone system have caused millions of dollars in damage. The guerrillas caused over 5,000 interruptions of electrical power in a 22-month period ending last November—an average of almost 8 a day. The entire eastern region of the country was blacked out for over a third of the year in both 1981 and 1982. The guerrillas destroyed over 200 buses in 1982 alone. Less than half the rolling stock of the railways remains operational.

In short, unable to win the free loyalty of El Salvador's people, the guerrillas are deliberately and systematically depriving them of food, water, transportation, light, sanitation, and work. These are the people who are claiming that their objective is to help the common people.

Fourth. This brings me to a fourth point. The three government battalions we have trained conduct themselves professionally, both on the battlefield and in their relations with civilians. But only 1 Salvadoran soldier in 10 has received our training—fewer than the many guerrillas trained by Nicaragua and Cuba.

Fifth. And, finally, what is at issue in El Salvador is the cause of democracy. I cannot stress this point enough, and here the progress has been substantial. The Constituent Assembly, elected a year ago, has drafted a new constitution, sustained a moderate government of national unity, and extended land reform.

I remind you of that election just over a year ago with over 80% of the people voting—not a bad percentage—in the face of armed, violent efforts to prevent people from coming to the polls.

Most important, perhaps, the politicians and parties who participated in the March 1982 elections and are now represented in the assembly have begun to fix common goals in the pursuit of a political solution to their country's problems.

The most concrete indication of the self-confidence and growing strength of

Alvaro Magana, announced that national elections will be held in El Salvador this year and that they will be open to all political parties and groups. You have to have some confidence in the democratic process to move up the election and say, "All right, let's decide by the electoral process who should be the president."

On March 17, El Salvador's Peace Commission, made up of a Catholic bishop and two civilians, proposed legislation for a general amnesty that is now before the Constituent Assembly. And the president of the Constituent Assembly has explicitly called for the main political unit of the guerrillas, the FDR [Revolutionary Democratic Front], to take part in the elections.

As President Reagan has made clear, we support negotiations aimed at "expanding participation in democratic institutions, at getting all parties to participate in free, nonviolent elections." We will not support negotiations that short circuit the very democratic process El Salvador is trying to establish. We will not carve up power behind people's backs as happened in Nicaragua. I'm shocked at the suggestions I sometimes hear when I'm testifying that what we ought to do—having observed these people try by violence to prevent an election from happening, should by violence and with our agreement shoot their way into the government. No dice. We will not support that kind of activity.

We will help El Salvador to guarantee the personal security of candidates and their supporters; discourage coercion or intimidation; and help ensure access to media, an honest tally, and ultimately respect for the people's verdict.

Let me turn a moment to the deeply troubling problem of El Salvador's ineffective system of criminal justice. They must do much better. The courts must bring cases to a timely and impartial conclusion, and we have to make that point to them unequivocally and very clearly. I might say, Attorney General Bill Smith is in El Salvador today, and a legal team has been down there, and we're doing our best to be helpful in that regard.

Nicaragua

Let me turn now to Nicaragua. Nicaraguans in growing numbers have concluded that their struggle for democracy has been betrayed. The preeminent her-

... and so how in Honduras, the anti-Somoza businessman who for 3 years tried hard to play the role of "loyal position" inside Nicaragua. They and thousands of others in and out of Nicaragua bear witness that what began as an extraordinary national coalition against Somoza has cracked and disintegrated under the manipulation of a handful of ideologues, fortified by their Cuban and Soviet-bloc military advisers.

But there is an answer to Nicaragua's problems. As in El Salvador, it is a political one. Last October, eight democratic countries of the region, meeting in San Jose, Costa Rica, called on Nicaragua to join them in allowing freedom of action for peaceful democratic groups, ending cross-border guerrilla violence, and freezing the growth of military arsenals. We support such negotiations. President Reagan has said,

... to strengthen democracy, to halt subversion, to stop the flow of arms, to respect borders, and to remove all the foreign military advisers—the Soviets, Cubans, East Germans, PLO [Palestine Liberation Organization], as well as our own—from the region.

If accepted, the San Jose proposals would reduce East-West tensions in Central America and lead to a regional political solution. Yet Nicaragua has so far refused even to discuss these principles, just as it earlier spurned our own efforts to reach a bilateral understanding to deal with mutual concerns.

U.S. Commitment to Regional Peace and Democracy

Our commitment to peace and democracy in Central America is not, of course, limited to El Salvador and Nicaragua. Like us, Costa Rica and Honduras have not given up hope that Nicaragua will return to the tenets of democracy and peace for which its people fought in 1979. But as Nicaragua's immediate neighbor, they feel directly the spillover

rise. Last year alone, some 13,000 Miskito Indians fled to Honduras rather than accept forced relocation by the Nicaraguan Government.

Until a peaceful solution is found, we must continue to bolster Honduras and Costa Rica. Both are democratic. Both have been hit hard economically by the regional turmoil and the world recession. And both have been victimized by terrorism directed from Nicaragua. We want to strengthen these democracies and help them provide their people stability and hope, even in the midst of regional crisis.

Democracy in Central America will not be achieved overnight, and it will not be achieved without sustained U.S. support. To support our objectives in Central America—democracy, development, justice, and the security to make them possible—Congress has authorized substantial economic assistance. Controversy continues, however, over military aid to El Salvador—the country literally under the gun.

The security assistance we have asked for is to build disciplined, skilled armed forces to serve as a shield for democratization and development—a shield. We are not planning to Americanize the fighting or to send El Salvador advanced, heavy weapons, like Nicaragua's Soviet tanks. We will help El Salvador's Armed Forces to increase their mobility and to acquire necessary munitions, spare parts, engineering equipment, and medical supplies. But our primary emphasis is on greatly expanded training for Salvadoran soldiers. As I mentioned earlier, only a tenth of the soldiers have received our training, and those who have, have a superior performance. So if we can increase that level of training, we can expect performance to improve.

Time is important. To quote Senator Henry Jackson, "If you're going to have the ballot box free and open, there must

to a level two-thirds below the previous fiscal year. So here you are—you're an army, you're fighting—and all of a sudden the flow of what you need to fight with is cut by two-thirds. Then people ask, "How come that army isn't doing better?" It's a terrific blow.

The Administration is seeking to restore these funds. The people of El Salvador must have confidence that we will see their struggle through, or else hope for democracy may not survive.

Conclusion

In summation, let me say again that there are many reasons for us to care about what happens in Central America. One is strategic, and we better remember it. What is happening in Central America could endanger our own security and that of our friends throughout the Caribbean Basin, from Mexico to the Panama Canal.

But an equal reason is moral. How can we, in the name of human rights, abandon our neighbors to a brutal, military takeover by a totalitarian minority? If our concern is freedom, will a communist victory provide it? If our concern is judicial fairness, will a communist regime provide it? If our concern is poverty, will a communist economic system provide prosperity?

The American people and their elected representatives have difficult choices to make. It is easy to play the demagogue, and it is tempting to avoid hard decisions. But if we walk away from this challenge, we will have let down not only all those in Central America who yearn for democracy, but we will have let ourselves down. We cannot be for freedom and human rights only in the abstract. If our ideals are to have meaning, we must defend them when they are threatened. Let us meet our responsibility. ■

**President Reagan
Joint Session of Congress
Washington, D.C.
April 27, 1983**

A number of times in past years, Members of Congress and a President have come together in meetings like this to resolve a crisis. I have asked for this meeting in the hope that we can prevent one.

It would be hard to find many Americans who are not aware of our stake in the Middle East, the Persian Gulf, or the NATO line dividing the free world from the communist bloc. And the same could be said for Asia.

But in spite of, or maybe because of, a flurry of stories about places like Nicaragua and El Salvador, and, yes, some concerted propaganda, many of us find it hard to believe we have a stake in problems involving those countries. Too many have thought of Central America as just that place way down below Mexico that can't possibly constitute a threat to our well-being.

And that's why I have asked for this session. Central America's problems do directly affect the security and the well-being of our own people. And Central America is much closer to the United States than many of the world trouble spots that concern us. So as we work to restore our own economy, we cannot afford to lose sight of our neighbors to the south.

El Salvador is nearer to Texas than Texas is to Massachusetts. Nicaragua is just as close to Miami, San Antonio, San Diego, and Tucson as those cities are to Washington where we're gathered tonight. But nearness on the map doesn't even begin to tell the strategic importance of Central America, bordering as it does on the Caribbean—our lifeline to the outside world. Two-thirds of all our foreign trade and petroleum pass through the Panama Canal and the Caribbean. In a European crisis, at least half of our supplies for NATO would go through these areas by sea. It's well to remember that in early 1942 a handful

of Hitler's submarines sank more tonnage there than in all of the Atlantic Ocean. And they did this without a single naval base anywhere in the area.

Today, the situation is different. Cuba is host to a Soviet combat brigade, a submarine base capable of servicing Soviet submarines, and military air bases visited regularly by Soviet military aircraft.

Because of its importance, the Caribbean Basin is a magnet for adventurism. We are all aware of the Libyan cargo planes refueling in Brazil a few days ago on their way to deliver medical supplies to Nicaragua. Brazilian authorities discovered the so-called medical supplies were actually munitions and prevented their delivery. You may remember that last month, speaking on national television, I showed an aerial photo of an airfield being built on the island of Grenada. Well, if that airfield had been completed, those planes could have refueled there and completed their journey.

If the Nazis during World War II and the Soviets today could recognize the Caribbean and Central America as vital to our interests, shouldn't we also?

Struggle for Freedom in El Salvador

For several years now, under two administrations, the United States has been increasing its defense of freedom in the Caribbean Basin. And I can tell you tonight, democracy is beginning to take root in El Salvador which, until a short time ago, knew only dictatorship. The new government is now delivering on its promises of democracy, reforms, and free elections. It wasn't easy, and there was resistance to many of the attempted reforms with assassinations of some of the reformers. Guerrilla bands and urban terrorists were portrayed in a worldwide propaganda campaign as freedom fighters representative of the people. Ten days before I came into office, the guerrillas launched what they called a "final offensive" to overthrow the government. And their radio boasted that our new Administration would be too late to prevent their victory.

They learned democracy cannot be so easily defeated. President Carter did not hesitate. He authorized arms and ammunition to El Salvador. The guer-

rilla offensive failed, but not America's will. Every president since this country assumed global responsibilities has known that those responsibilities could only be met if we pursued a bipartisan foreign policy.

As I said a moment ago, the Government of El Salvador has been keeping its promises, like the land reform program which is making thousands of farm tenants, farm owners. In a little over 3 years, 20% of the arable land in El Salvador has been redistributed to more than 450,000 people. That's 1 in 10 Salvadorans who have benefited directly from this program.

El Salvador has continued to strive toward an orderly and democratic society. The government promised free elections. On March 28th, little more than a year ago, after months of campaigning by a variety of candidates, the suffering people of El Salvador were offered a chance to vote—to choose the kind of government they wanted. And suddenly the so-called freedom fighters in the hills were exposed for what they really are—a small minority who want power for themselves and their backers not democracy for the people. The guerrillas threatened death to anyone who voted. They destroyed hundreds of buses and trucks to keep the people from getting to the polling places. Their slogan was brutal: "Vote today, die tonight." But on election day, an unprecedented 80% of the electorate braved ambush and gunfire and trudged for miles, many of them, to vote for freedom. And that's truly fighting for freedom. We can never turn our backs on that.

Members of this Congress who went there as observers told me of a woman who was wounded by rifle fire on the way to the polls, who refused to leave the line to have her wound treated until after she had voted. Another woman had been told by the guerrillas that she would be killed when she returned from the polls, and she told the guerrillas, "You can kill me; you can kill my family; you can kill my neighbors; you can't kill us all." The real freedom fighters of El Salvador turned out to be the people of that country—the young, the old, the in between—more than a million of them out of a population of less than 5 million.

The world should respect this courage and not allow it to be belittled or forgotten. And again, I say in good conscience, we can never turn our backs on that.

The democratic political parties and factions in El Salvador are coming together around the common goal of seeking a political solution to their country's problems. New national elections will be held this year and they will be open to all political parties. The government has invited the guerrillas to participate in the election and is preparing an amnesty law. The people of El Salvador are earning their freedom, and they deserve our moral and material support to protect it.

Yes, there are still major problems regarding human rights, the criminal justice system, and violence against non-combatants. And, like the rest of Central America, El Salvador also faces severe economic problems. But in addition to recession-depressed prices for major agricultural exports, El Salvador's economy is being deliberately sabotaged. Tonight in El Salvador—because of ruthless guerrilla attacks—much of the fertile land cannot be cultivated; less than half the rolling stock of the railways remains operational; bridges, water facilities, telephone and electric systems have been destroyed and damaged. In one 22-month period, there were 5,000 interruptions of electrical power; one region was without electricity for a third of a year.

I think Secretary of State Shultz put it very well the other day. "Unable to win the free loyalty of El Salvador's people, the guerrillas," he said, "are deliberately and systematically depriving them of food, water, transportation, light, sanitation, and jobs. And these are the people who claim they want to help the common people."

They don't want elections because they know they would be defeated. But, as the previous election showed, the Salvadoran people's desire for democracy will not be defeated. The guerrillas are not embattled peasants armed with muskets. They are professionals, sometimes with better training and weaponry than the government's soldiers. The Salvadoran battalions that have received U.S. training have been conducting themselves well on the battlefield and with the civilian people.

Relations With Nicaragua

And let me set the record straight on Nicaragua, a country next to El Salvador. In 1979, when the new government took over in Nicaragua, after a revolution which overthrew the authoritarian rule of Somoza, everyone hoped for the growth of democracy. We in the United States did too. By January of 1981, our emergency relief and recovery aid to Nicaragua totaled \$118 million—more than provided by any other developed country. In fact, in the first 2 years of Sandinista rule, the United States directly or indirectly sent five times more aid to Nicaragua than it had in the 2 years prior to the revolution. Can anyone doubt the generosity and good faith of the American people?

These were hardly the actions of a nation implacably hostile to Nicaragua. Yet, the Government of Nicaragua has treated us as an enemy. It has rejected our repeated peace efforts. It has broken its promises to us, the Organization of American States, and, most important of all, to the people of Nicaragua.

No sooner was victory achieved than a small clique ousted others who had been part of the revolution from having any voice in government. Humberto Ortega, the Minister of Defense, declared Marxism-Leninism would be their guide, and so it is. The Government of Nicaragua has imposed a new dictatorship; it has refused to hold the elections it promised; it has seized control of most media and subjects all media to heavy prior censorship; it denied the bishops and priests of the Roman Catholic Church the right to say mass on radio during holy week; it insulted and mocked the Pope; it has driven the Miskito Indians from their homelands—burning their villages, destroying their crops, and forcing them into involuntary internment camps far from home; it has moved against the private sector and free labor unions; it condoned mob action against Nicaragua's independent human rights commission and drove the director of that commission into exile.

In short, after all these acts of repression by the government, is it any wonder that opposition has formed? Contrary to propaganda, the opponents of the Sandinistas are not die-hard sup-

In fact, many are anti-Somoza heroes who fought beside the Sandinistas to bring down the Somoza government. Now they've been denied any part in the new government because they truly wanted democracy for Nicaragua, and they still do. Others are Miskito Indians fighting for their homes, their lands, and their lives.

The Sandinista revolution in Nicaragua turned out to be just an exchange of one set of autocratic rulers for another, and the people still have no freedom, no democratic rights, and more poverty. Even worse than its predecessor, it is helping Cuba and the Soviets to destabilize our hemisphere.

Meanwhile, the Government of El Salvador, making every effort to guarantee democracy, free labor unions, freedom of religion, and a free press, is under attack by guerrillas dedicated to the same philosophy that prevails in Nicaragua, Cuba, and, yes, the Soviet Union. Violence has been Nicaragua's most important export to the world. It is the ultimate in hypocrisy for the unelected Nicaraguan Government to charge that we seek their overthrow when they're doing everything they can to bring down the elected Government of El Salvador. The guerrilla attacks are directed from a headquarters in Managua, the capital of Nicaragua.

But let us be clear as to the American attitude toward the Government of Nicaragua. We do not seek its overthrow. Our interest is to ensure that it does not infect its neighbors through the export of subversion and violence. Our purpose, in conformity with American and international law, is to prevent the flow of arms to El Salvador, Honduras, Guatemala, and Costa Rica. We have attempted to have a dialogue with the Government of Nicaragua, but it persists in its efforts to spread violence.

We should not—and we will not—protect the Nicaraguan Government from the anger of its own people. But we should, through diplomacy, offer an alternative. And, as Nicaragua ponders its options, we can and will—with all the resources of diplomacy—protect each country of Central America from the danger of war. Even Costa Rica, Central America's oldest and strongest democracy, a government so peaceful it doesn't even have an army, is the object of bullying and threats from Nicaragua's

kept. Some 36 new military bases have been built; there were only 13 during the Somoza years. Nicaragua's new army numbers 25,000 men supported by a militia of 50,000. It is the largest army in Central America supplemented by 2,000 Cuban military and security advisers. It is equipped with the most modern weapons, dozens of Soviet-made tanks, 800 Soviet-bloc trucks, Soviet 152-MM howitzers, 100 anti-aircraft guns, plus planes and helicopters. There are additional thousands of civilian advisers from Cuba, the Soviet Union, East Germany, Libya, and the PLO [Palestine Liberation Organization]. And we are attacked because we have 55 military trainers in El Salvador.

The goal of the professional guerrilla movements in Central America is as simple as it is sinister—to destabilize the entire region from the Panama Canal to Mexico. If you doubt me on this point, just consider what Cayetano Carpio, the now-deceased Salvadoran guerrilla leader, said earlier this month. Carpio said that after El Salvador falls, El Salvador and Nicaragua would be "arm-in-arm and struggling for the total liberation of Central America."

Nicaragua's dictatorial junta, who themselves made war and won power operating from bases in Honduras and Costa Rica, like to pretend they are today being attacked by forces based in Honduras. The fact is, it is Nicaragua's Government that threatens Honduras, not the reverse. It is Nicaragua who has moved heavy tanks close to the border, and Nicaragua who speaks of war. It was Nicaraguan radio that announced on April 8th the creation of a new, unified, revolutionary coordinating board to push forward the Marxist struggle in Honduras. Nicaragua, supported by weapons and military resources provided by the communist bloc, represses its own people, refuses to make peace, and sponsors a guerrilla war against El Salvador.

The Need for U.S. Support

President Truman's words are as apt today as they were in 1947, when he, too, spoke before a joint session of the Congress:

At the present moment in world history nearly every nation must choose between alternative ways of life. The choice is too often not a free one.

One way of life is based upon the will of the majority and is distinguished by free in-

dividual freedom. The second way of life is based upon the will of a minority forcibly imposed upon the majority. It relies upon terror and oppression, a controlled press and radio, fixed elections, and the suppression of personal freedoms.

I believe that it must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures.

I believe that we must assist free peoples to work out their own destinies in their own way.

I believe that our help should be primarily through economic and financial aid which is essential to economic stability and orderly political processes.

... Collapse of free institutions and loss of independence would be disastrous not only for them but for the world. Discouragement and possibly failure would quickly be the lot of neighboring peoples striving to maintain their freedom and independence.

The countries of Central America are smaller than the nations that prompted President Truman's message. But the political and strategic stakes are the same. Will our response—economic, social, military—be as appropriate and successful as Mr. Truman's bold solutions to the problems of postwar Europe?

Some people have forgotten the successes of those years and the decades of peace, prosperity, and freedom they secured. Some people talk as though the United States were incapable of acting effectively in international affairs without risking war or damaging those we seek to help.

Are democracies required to remain passive while threats to their security and prosperity accumulate?

Must we just accept the destabilization of an entire region from the Panama Canal to Mexico on our southern border?

Must we sit by while independent nations of this hemisphere are integrated into the most aggressive empire the modern world has seen?

Must we wait while Central Americans are driven from their homes, like the more than 4 million who have sought refuge out of Afghanistan or the 1.5 million who have fled Indochina or the more than 1 million Cubans who have fled Castro's Caribbean utopia? Must we, by default, leave the people of El Salvador no choice but to flee their homes, creating another tragic human exodus?

defeatism in the face of this challenge to freedom and security in our hemisphere.

I do not believe that a majority of the Congress or the country is prepared to stand by passively while the people of Central America are delivered to totalitarianism, and we ourselves are left vulnerable to new dangers.

Only last week an official of the Soviet Union reiterated Brezhnev's threat to station nuclear missiles in this hemisphere—5 minutes from the United States. Like an echo, Nicaragua's commandante, Daniel Ortega, confirmed that, if asked, his country would consider accepting those missiles. I understand that today they may be having second thoughts.

Now, before I go any further, let me say to those who invoke the memory of Vietnam: There is no thought of sending American combat troops to Central America; they are not needed—indeed, they have not been requested there. All our neighbors ask of us is assistance in training and arms to protect themselves while they build a better, freer life.

We must continue to encourage peace among the nations of Central America. We must support the regional efforts now underway to promote solutions to regional problems. We cannot be certain that the Marxist-Leninist bands who believe war is an instrument of politics will be readily discouraged. It's crucial that we not become discouraged before they do. Otherwise the region's freedom will be lost and our security damaged in ways that can hardly be calculated.

If Central America were to fall, what would the consequences be for our position in Asia, Europe, and for alliances such as NATO? If the United States cannot respond to a threat near our own borders, why should Europeans or Asians believe that we are seriously concerned about threats to them? If the Soviets can assume that nothing short of an actual attack on the United States will provoke an American response, which ally, which friend will trust us then?

Basic Goals

The Congress shares both the power and the responsibility for our foreign policy. Tonight, I ask you, the Congress, to join me in a bold, generous approach to the problems of peace and poverty,

run but goes beyond to produce, for the deprived people of the area, the reality of present progress and the promise of more to come.

Let us lay the foundation for a bipartisan approach to sustain the independence and freedom of the countries of Central America. We in the Administration reach out to you in this spirit.

We will pursue four basic goals in Central America.

First. In response to decades of inequity and indifference, we will support democracy, reform, and human freedom. This means using our assistance, our powers of persuasion, and our legitimate "leverage" to bolster humane democratic systems where they already exist and to help countries on their way to that goal complete the process as quickly as human institutions can be changed. Elections—in El Salvador and also in Nicaragua—must be open to all, fair and safe. The international community must help. We will work at human rights problems, not walk away from them.

Second. In response to the challenge of world recession and, in the case of El Salvador, to the unrelenting campaign of economic sabotage by the guerrillas, we will support economic development. By a margin of two-to-one, our aid is economic now, not military. Seventy-seven cents out of every dollar we will spend in the area this year goes for food, fertilizers, and other essentials for economic growth and development. And our economic program goes beyond traditional aid: The Caribbean initiative introduced in the House earlier today will provide powerful trade and investment incentives to help these countries achieve self-sustaining economic growth without exporting U.S. jobs. Our goal must be to focus our immense and growing technology to enhance health care, agriculture, and industry and to ensure that we, who inhabit this interdependent region, come to know and understand each other better, retaining our diverse identities, respecting our diverse traditions and institutions.

Third. In response to the military challenge from Cuba and Nicaragua—to their deliberate use of force to spread tyranny—we will support the security of the region's threatened nations. We do not view security assistance as an end in itself but as a shield for democratization, economic development, and diplomacy. No amount of reform will bring peace so long as guerrillas believe they will win by force. No amount of economic help will suffice if guerrilla units can destroy roads and bridges and power stations and crops again and again with impunity. But, with better training and material help, our neighbors can hold off the guerrillas and give democratic reform time to take root.

Fourth. We will support dialogue and negotiations—both among the countries of the region and within each country. The terms and conditions of participation in elections are negotiable. Costa Rica is a shining example of democracy. Honduras has made the move from military rule to democratic government. Guatemala is pledged to the same course. The United States will work toward a political solution in Central America which will serve the interests of the democratic process.

To support these diplomatic goals, I offer these assurances:

- The United States will support any agreement among Central American countries for the withdrawal—under fully verifiable and reciprocal conditions—of all foreign military and security advisers and troops.

- We want to help opposition groups join the political process in all countries and compete by ballots instead of bullets.

- We will support any verifiable, reciprocal agreement among Central American countries on the renunciation of support for insurgencies on neighbors' territory.

- And, finally, we desire to help Central America end its costly arms race and will support any verifiable, reciprocal agreements on the nonimportation of offensive weapons.

To move us toward these goals more rapidly, I am tonight announcing my in-

ments to bring peace to this troubled area and to work closely with the Congress to assure the fullest possible bipartisan coordination of our policies toward the region.

What I'm asking for is prompt congressional approval for the full reprogramming of funds for key current economic and security programs so that the people of Central America can hold the line against externally supported aggression. In addition, I am asking for prompt action on the supplemental request in these same areas to carry us through the current fiscal year and for early and favorable congressional action on my requests for fiscal year 1984. And finally, I am asking that the bipartisan consensus, which last year acted on the trade and tax provisions of the Caribbean Basin Initiative in the House, again take the lead to move this vital proposal to the floor of both chambers. And, as I said before, the greatest share of these requests is targeted toward economic and humanitarian aid, not military.

What the Administration is asking for on behalf of freedom in Central America is so small, so minimal, considering what is at stake. The total amount requested for aid to all of Central America in 1984 is about \$600 million; that's less than one-tenth of what Americans will spend this year on coin-operated video games.

In summation, I say to you that tonight there can be no question: The national security of all the Americas is at stake in Central America. If we cannot defend ourselves there, we cannot expect to prevail elsewhere. Our credibility would collapse, our alliances would crumble, and the safety of our homeland would be put at jeopardy.

We have a vital interest, a moral duty, and a solemn responsibility. This is not a partisan issue. It is a question of our meeting our moral responsibility to ourselves, our friends, and our posterity. It is a duty that falls on all of us—the President, the Congress, and the people. We must perform it together. Who among us would wish to hear responsibility for failing to meet our shared obligation? ■

**Secretary Shultz
Luncheon for Leaders of
Barbados, Jamaica,
and OECS Members
Bridgetown
February 8, 1984**

The spirit and the content of our meeting this morning should ring throughout the hemisphere. Democracy and the rule of law, economic development and well-being for our countries and peoples, security and a shield against aggression—these objectives were our agenda. They are very much the agenda throughout the Americas.

I came here to address these issues in a spirit of partnership. I found strength, leadership, and hope. I found you to be genuine partners, as you were in our joint rescue mission for Grenada.

Good partners make good neighbors. President Reagan is determined that the United States will be a good partner here in the Caribbean and in every part of this hemisphere.

Each of our countries is unique, but there is a powerful sense in which our problems are common and their solutions related. We all must coordinate our actions and help each other if we are to make progress.

Today is the culmination of a trip that took me to Central and South America and now to the Caribbean. During the last 8 days, I have met with political leaders and businessmen, with journalists and military men, and with all of our ambassadors to Central and South America.

I would like to share with you some reflections on where the hemisphere stands today and what lies ahead.

Democracy

My first thought goes to the importance of democracy. Two years ago, addressing the Organization of American States to announce the Caribbean Basin Initiative, President Reagan said that if they work together:

... our many nations can live in peace, each with its own customs and language and culture but sharing a love for freedom and a determination to resist outside ideologies that would take us back to colonialism.

I want to emphasize the President's last phrase: "sharing a love for freedom and a determination to resist outside ideologies that would take us back to colonialism." If there is one thing that all the nations of the hemisphere have in common, it is that every single country in this hemisphere was at one time a colony. When Latin Americans fought for independence in the 19th century, the United States, remembering its own revolution, felt a sense of solidarity with them. And as the island nations of the Caribbean have earned their independence over this past generation, that solidarity has been renewed.

We have learned that independence does not automatically bring democracy and freedom in its wake. Our own nation, like many others in the Americas, tolerated slavery for almost a century. But we also know that a society that guarantees all its citizens equality under the law, civil rights, social justice, and human dignity can fulfill the promise of national independence.

We can take pride in the fact that today more than 90% of all the people of this New World live under democracies or under regimes in transition to democracy. The recent elections in Argentina were a dramatic reconfirmation of this general trend.

Yet the job of building democracy is not finished. We must strengthen freedom, expand economic well-being, and defend ourselves against the new colonialism of communism. I tell you now that the success of the democratic enterprise in this hemisphere is not a matter of indifference to the United States. Democracy is at once the foundation and the objective of our cooperation.

All of us in this room share the bond of democratic solidarity. We all live it. And we all know that without democracy, our cooperation in Grenada, and all that it means for regional security, would have lacked the popular support it receives in each of our countries.

Nor is democracy's appeal limited to those who already have it. It remains the standard even when the struggle for it is most arduous. In El Salvador last week, I found that the yearning of decent people for democracy is strong and their spirit unbroken. I found a country

campaigning throughout the country and working to achieve the fullest and widest participation possible.

The United States supports open elections without reservation. We want in Central America what we want here—peace guaranteed by democracy. We want to see every citizen free to participate in the political life of his or her country, without fear, threat, or intimidation.

In support of this principle, the Government of El Salvador, before the 1982 Constituent Assembly elections, offered automatic legal registration to the political parties associated with the guerrillas. Before scheduling next month's presidential elections, the Government of El Salvador renewed the offer to discuss with the political front of the different guerrilla groups the terms and conditions of their participation.

Will the Salvadoran guerrillas and Nicaragua's *comandantes* finally stop their violence and submit to the verdict of the people? Will the *comandantes* abandon the menacing military buildup that threatens both Nicaraguans and their neighbors? Will they be as bold as El Salvador and place the decision of who is to govern genuinely in the hands of the people? Will they cast off the cynical alliances that have injected the East-West conflict into the region?

To ensure peace and economic progress, Central America needs democracy. What happened last fall here in the eastern Caribbean is telling. In Grenada, a system comparable to Nicaragua's ultimately proved so unstable and so divisive that it led to the murder of the Prime Minister by a military faction loyal to the Deputy Prime Minister. Both factions were antidemocratic; both sought power without legal limit or popular consent. Enamored of power and blinded by the illusions of a false revolution and false alliances, the New JEWEL Movement imposed an alien dictatorship.

It is in everyone's interest that this not happen in Nicaragua. It is in Nicaragua's own interest to keep the pledges made to the Organization of American States (OAS) in 1979 and to give practical force to the 21 substantive objectives they agreed to negotiate in

fringed its democracy in a long and courageous struggle against extremists *(both right and left)*. Throughout the 1950s, Venezuela held elections while under assault by armed guerrillas supported by Cuba. But Venezuelans were not intimidated. Just as they had thrown off dictatorship, they resisted Cuban subversion. They elected a succession of democratic leaders and made Venezuela a leader of democracy throughout the Americas.

We in the United States support every nation in the hemisphere that struggles for freedom. And we are confident that, as in Venezuela yesterday and Argentina today, those who work for democracy will prevail—in Grenada, in El Salvador, in Nicaragua, and throughout the hemisphere.

Economic Development

My second set of observations concerns economic development. The enemies of democracy often point to underdevelopment and economic hardship as arguments to justify violence and dictatorship. But they've got it backward. Violence destroys development. And experience around the world teaches that totalitarian solutions are bankrupt—economically as well as morally. It is the democratic and open societies that are the success stories of the developing world.

The challenges of development are formidable. In the 1960s and 1970s, the hemisphere's developing countries grew faster than either the United States or Europe. Important gains were registered despite rapid population growth. Today, however, the recession has hit most countries in the hemisphere very hard. It has made debt service an onerous burden. And in just a few years it has begun to eat away many of the social gains of decades of growth.

In my discussions of economic issues, I found both concern and realism—concern that economic adjustments will have serious social consequences and that no country can sustain austerity indefinitely; realism that adjustments are, nevertheless, unavoidable and that policies must be economically sound.

Increased investment in productivity is a need that everyone—from governments to bankers—must keep in mind. Equity investment is a good counter-

many countries out of their current difficulties. The continued openness of the U.S. market—in spite of trade deficits—is contributing importantly to stability abroad. The strong recovery now apparent in the United States will provide additional strength to our neighbors.

The Caribbean Basin Initiative gives us all fresh tools and opportunities to attack the problems of development. The Central America Democracy, Peace, and Development Initiative should significantly increase the resources available in defense of development in Central America, where it is now most acutely threatened. And together we must show similar imagination and realism in pursuit of development here in the eastern Caribbean. Democratic solidarity means we cannot be indifferent to the economic problems of our neighbors. The United States will be a good partner.

Collective Security

Economic progress depends on an environment of security and confidence. This brings me to a third set of reflections—on the need for collective security.

The enemies of democracy and development are the same throughout the hemisphere. They are the violent extremes—the violent left, subservient to Cuba and international totalitarianism, and the violent right, with its futile resistance to modern progress. The far left depends on outside arms, training, and propaganda; the far right depends on secrecy, intimidation, and abuse of power.

The National Bipartisan Commission on Central America underscored its conviction that indigenous revolution is no threat to the United States. The threat from Cuba and the Soviet Union is the perversion of revolution, a betrayal of democracy that is rooted in intimidation and force. We have nothing to fear from honest political or economic competition, least of all from Cuba or the Soviet Union. But, as Grenada demonstrated, we must defend ourselves against the organized violence of communism, which preaches pluralism for others while imposing a single party state and censorship at home.

In building our defenses, we must all take care to strengthen democracy and to minimize any diversion of resources

the rule of law from the enemies of democracy. And we must all see to it that our cooperation in behalf of collective security is adjusted to fit our respective needs and capabilities.

Our Commitment

Yesterday, I had the pleasure of joining in the celebration of the 10th anniversary of Grenada's independence. My talks with the *Governor General* and members of the interim government, and the memorable and moving welcome we received from ordinary citizens, made clear that the changes that have come about since our joint action are widely and enthusiastically supported. We owe it to the people of Grenada to follow through: to help them to turn their hopes for democracy and freedom into a lasting reality.

In Grenada and throughout the hemisphere, the United States wants to be a good partner. We want our assistance to foster self-reliance, not a new dependence. We will help, not impose solutions.

Once again, the key is democracy. Foreign Minister Guerreiro of Brazil rightly pointed out this week that "Democratic principles do not require the imposition of a standard uniformity or unanimity." As he said, what they do require is mutual respect and solidarity.

On the political front, we must continue to nurture the habits and procedures of democracy. Democracy increasingly describes the present. We must perfect and protect it so that it will endure. The National Endowment for Democracy, recently established in the United States, provides a new means for strengthening solidarity among democratic forces in the hemisphere.

In economic matters, we must all keep our markets open. Freedom of economic choice and enterprise are natural regulators and natural liberators of talent, ability, and progress. And we must persevere in our cooperation for development. We in the United States must ensure that our assistance matches real needs and that once we undertake policies for the long term, we carry through without interruptions or neglect.

Above all, we must together maintain our resolve in the defense of democracy. The vocation of this

**President Reagan
Televised Address
to the Nation
Washington, D.C.
May 9, 1984**

My fellow Americans, last week I was in Beijing and Shanghai—3 weeks from now I'll be preparing to leave for Dublin, Normandy, and the annual economic summit in London.

I'm pleased that our trip to China was a success. I had long and thoughtful meetings with the Chinese leadership. Though our two countries are very different, we are building a strong relationship in a genuine spirit of cooperation; and that's good for the cause of peace.

This was our second trip to Asia in the last 6 months. It demonstrates our awareness of America's responsibility for leadership in the Pacific Basin—an area of tremendous economic vitality. I believe our relations with our Asian allies and friends have never been better.

The Fate of Central America

But that isn't what I want to talk to you about. I asked for this time to tell you of some basic decisions which are yours to make. I believe it is my constitutional responsibility to place these matters before you. They have to do with your national security, and that security is the single most important function of the Federal Government. In that context, it's my duty to anticipate problems, warn of dangers, and act so as to keep harm away from our shores.

Our diplomatic objectives will not be attained by good will and noble aspirations alone. In the last 15 years the growth of Soviet military power has meant a radical change in the nature of the world we live in. This does not mean, as some would have us believe, that we're in imminent danger of nuclear war. We're not.

As long as we maintain the strategic balance and make it more stable by reducing the level of weapons on both sides, then we can count on the basic prudence of the Soviet leaders to avoid that kind of challenge to us. They are presently

challenging us with a different kind of weapon: subversion and the use of surrogate forces—Cubans, for example. We've seen it intensifying during the last 10 years as the Soviet Union and its surrogates moved to establish control over Vietnam, Laos, Kampuchea, Angola, Ethiopia, South Yemen, Afghanistan, and recently, closer to home in Nicaragua and now El Salvador. It's the fate of this region, Central America, that I want to talk to you about tonight.

The issue is our effort to promote democracy and economic well-being in the face of Cuban and Nicaraguan aggression, aided and abetted by the Soviet Union. It is definitely not about plans to send American troops into combat in Central America. Each year, the Soviet Union provides Cuba with \$4 billion in assistance; and it sends tons of weapons to foment revolution here in our hemisphere.

The defense policy of the United States is based on a simple premise: we do not start wars. We will never be the aggressor. We maintain our strength in order to deter and defend against aggression—to preserve freedom and peace. We help our friends defend themselves.

Central America is a region of great importance to the United States. And it is so close—San Salvador is closer to Houston, Texas, than Houston is to Washington, D.C. Central America is America; it's at our doorstep. And it has become the stage for a bold attempt by the Soviet Union, Cuba, and Nicaragua to install communism by force throughout the hemisphere.

When half of our shipping tonnage and imported oil passes through Caribbean shipping lanes, and nearly half of all our foreign trade passes through the Panama Canal and Caribbean waters, America's economy and well-being are at stake.

Right now in El Salvador, Cuban-supported aggression has forced more than 400,000 men, women, and children to flee their homes. And in all of Central America, more than 800,000 have fled, many, if not most, living in unbelievable hardship. Concerns about the prospect of hundreds of thousands of refugees fleeing communist oppression to seek entry into our country are well founded.

What we see in El Salvador is an attempt to destabilize the entire region and

our choice will be a communist Central America with additional communist military bases on the mainland of this hemisphere and communist subversion spreading southward and northward. This communist subversion poses the threat that 100 million people from Panama to the open border on our south could come under the control of pro-Soviet regimes.

If we come to our senses too late, when our vital interests are even more directly threatened, and after a lack of American support causes our friends to lose the ability to defend themselves, then the risks to our security and our way of life will be infinitely greater.

But there is a way to avoid these risks, recommended by the National Bipartisan Commission on Central America. It requires long-term American support for democratic development, economic and security assistance, and strong-willed diplomacy.

There have been a number of high-level bilateral meetings with the Nicaraguan Government where we've presented specific proposals for peace. I have appointed two special ambassadors who have made more than 10 trips to the region in pursuit of peace during the last year. And Central America's democratic neighbors—Mexico, Venezuela, Colombia, and Panama—have launched a comprehensive initiative for peace through what is known as the Contadora process. The United States fully supports the objectives of that process.

We can and must help Central America. It's in our national interest to do so; and, morally, it's the only right thing to do. But, helping means doing *enough*—enough to protect our security and enough to protect the lives of our neighbors so that they may live in peace and democracy without the threat of communist aggression and subversion. This has been the policy of our Administration for more than 3 years.

But making this choice requires a commitment from all of us, our Administration, the American people, and the Congress. So far, we have not yet made that commitment. We've provided just enough aid to avoid outright disaster but not enough to resolve the crisis; so El Salvador is being left to slowly bleed to death.

The Real Nature of the Sandinista Regime

I want to tell you a few things tonight about the real nature of the Sandinista regime in Nicaragua.

The Sandinistas who rule Nicaragua are communists whose relationship and ties to Fidel Castro of Cuba go back a quarter of a century. A number of the Sandinistas were trained in camps supported by Cuba, the Soviet bloc, and the PLO [Palestine Liberation Organization]. It is important to note that Cuba, the Sandinistas, the Salvadoran communist guerrillas, and the PLO have all worked together for many years. In 1978, the Sandinistas and elements of the PLO joined in a "declaration of war" against Israel.

The Cuban-backed Sandinistas made a major attempt to topple the Somoza regime in Nicaragua in the fall of 1978. They failed. They were then called to Havana, where Castro cynically instructed them in the ways of successful communist insurrection. He told them to tell the world they were fighting for political democracy, not communism. But most important, he instructed them to form a broad alliance with the genuinely democratic opposition to the Somoza regime. Castro explained this would deceive Western public opinion, confuse potential critics, and make it difficult for Western democracies to oppose the Nicaraguan revolution without causing great dissent at home.

You see, that's how Castro managed his revolution. And we have to confess he fooled a lot of people here in our own country—or don't you remember when he was referred to in some of our press as the George Washington of Cuba?

The Sandinistas listened and learned. They returned to Nicaragua and promised to establish democracy. The Organization of American States (OAS), on June 23, 1979, passed a resolution stating that the solution for peace in Nicaragua required that Somoza step down and that free elections be held as soon as possible to establish a truly democratic government that would guarantee peace, freedom, and justice. The Sandinistas then promised the OAS in writing that they would do these things. Somoza left, and the Sandinistas came to power. This was a negotiated settlement based on power sharing between communists and genuine democrats like

actually taking place; that almost from the moment the Sandinistas and their cadre of 50 Cuban covert advisers took power in Managua in July of 1979, the internal repression of democratic groups, trade unions, and civic groups began. Right to dissent was denied. Freedom of the press and freedom of assembly became virtually nonexistent. There was an outright refusal to hold genuine elections coupled with the continual promise to do so. Their latest promise is for elections by November 1984. In the meantime, there has been an attempt to wipe out an entire culture, the Miskito Indians, thousands of whom have been slaughtered or herded into detention camps where they have been starved and abused. Their villages, churches, and crops have been burned.

The Sandinistas engaged in anti-Semitic acts against the Jewish community. And they persecuted the Catholic Church and publicly humiliated individual priests. When Pope John Paul II visited Nicaragua last year, the Sandinistas organized public demonstrations, hurling insults at him and his message of peace. On this last Good Friday, some 100,000 Catholic faithfuls staged a demonstration of defiance. You may be hearing about that demonstration for the first time right now. It wasn't widely reported. Nicaraguan Bishop Pablo Antonio Vega recently said: "We are living with a totalitarian ideology that no one wants in this country"—this country being Nicaragua.

The Sandinista rule is a communist reign of terror. Many of those who fought alongside the Sandinistas saw their revolution betrayed; they were denied power in the new government; some were imprisoned, others exiled. Thousands who fought with the Sandinistas have taken up arms against them and are now called the *contras*. They are freedom fighters.

What the Sandinistas have done to Nicaragua is a tragedy. But we Americans must understand and come to grips with the fact that the Sandinistas are not content to brutalize their own land. They seek to export their terror to every other country in the region.

I ask you to listen closely to the following quotation: "We have the brilliant revolutionary example of Nicaragua. . . . The struggle in El Salvador is very advanced; the same in Guatemala, and Honduras is developing quickly. . . . Very soon Central America will be one revolutionary entity."

After taking power, the Sandinistas—in partnership with Cuba and the Soviet Union—began supporting aggression and terrorism against El Salvador, Honduras, Costa Rica, and Guatemala. They opened training camps for guerrillas from El Salvador so they could return to their country and attack its government. Those camps still operate. Nicaragua is still the headquarters for communist guerrilla movements. And Nicaraguan agents and diplomats have been caught in Costa Rica and Honduras supervising attacks carried out by communist terrorists.

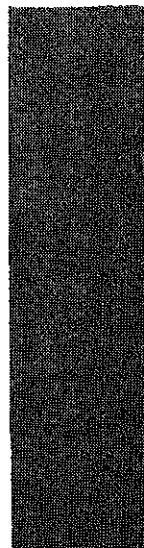
The role that Cuba has long performed for the Soviet Union is now also being played by the Sandinistas. They have become Cuba's Cubans. Weapons, supplies, and funds are shipped from the Soviet bloc to Cuba, from Cuba to Nicaragua, from Nicaragua to the Salvadoran guerrillas. These facts were confirmed last year by the House Intelligence Committee.

The Sandinista regime has been waging war against its neighbors since August of 1979. This has included military raids into Honduras and Costa Rica which still continue today.

And they're getting a great deal of help from their friends. There were 165 Cuban personnel in Nicaragua in 1979. Today that force has grown to 10,000. And we're being criticized for having 55 military trainers in El Salvador. Man-

Cuban Presence in Nicaragua

10,000



sent men, and so has Libya's dictator Qadhafi. Communist countries are providing new military assistance, including tanks, artillery, rocket launchers, and help in the construction of military bases and support facilities.

Just last week a Soviet ship began unloading heavy-duty military trucks in Nicaragua's Corinto harbor. Another Soviet ship is on its way with more trucks and 165 Soviet jeeps.

Nicaragua's own military forces have grown enormously. Since 1979, their trained forces have increased from 10,000 to over 100,000. Why does Nicaragua need all this power? Why did this country of only 2.8 million people build this large military force?

They claim the buildup is the result of the anti-Sandinista forces. That's a lie. The Sandinista military buildup began 2½ years before the anti-Sandinista freedom fighters had taken up arms.

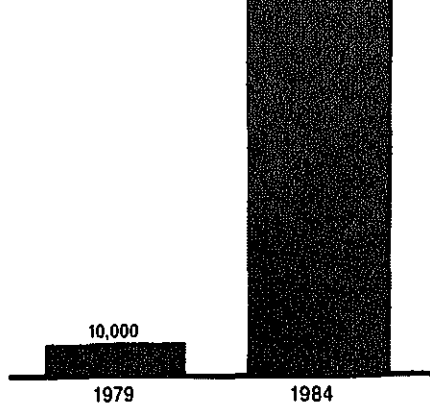
They claim the buildup is because they are threatened by their neighbors. That, too, is a lie. Nicaragua's next door neighbor, Costa Rica, doesn't even have an army. Another neighbor, Honduras, has armed forces of only 16,000.

The Sandinistas claim the buildup is in response to American aggression. And that is the most cynical lie of all. The truth is they announced at their first anniversary, in July 1980, that their revolution was going to spread beyond their own borders.

When the Sandinistas were fighting the Somoza regime, the U.S. policy was hands off. We did not attempt to prop up Somoza. The United States did everything to show its openness toward the Sandinistas, its friendliness, its willingness to become friends. The Carter Administration provided more economic assistance to the Sandinistas in their first 18 months than any other country did. But in January 1981, having concluded that the Sandinistas were arming the Salvadoran guerrillas, the Carter Administration sent military aid to El Salvador.

As soon as I took office, we attempted to show friendship to the Sandinistas and provided economic aid to Nicaragua. But it did no good. They kept on exporting terrorism. The words of their official party anthem describe us, the United States, as the enemy of all mankind.

So much for our sincere but unrealistic hopes that if only we'd try harder to be friends, Nicaragua would flourish in the glow of our friendship and install



Back in 1958, Fidel Castro pledged that, once his revolution had triumphed, he would start a much longer and bigger war—a war against the Americans. That war, Castro said, "will be my true destiny." For 26 years, during Republican and Democratic Administrations, Castro has kept to his own path of revolutionary violence. Today, Cuba even provides safe passage for drug traffickers who poison our children. In return, of course, Cuba gets hard cash to buy more weapons of war.

We're in the midst of what President John F. Kennedy called "a long twilight struggle" to defend freedom in the world. He understood the problem of Central America. He understood Castro. And he understood the long-term goals of the Soviet Union in this region.

Twenty-three years ago, President Kennedy warned against the threat of communist penetration in our hemisphere. He said: "I want it clearly understood that this government will not hesitate in meeting its primary obligations which are to the security of our nation." And the House and Senate supported him overwhelmingly by passing a law calling on the United States to prevent Cuba from extending its aggressive or subversive activities to any part of this hemisphere. Were John Kennedy alive today, I think he would be appalled by the gullibility of some who invoke his name.

The Need for U.S. Support

I have told you that Cuba's and Nicaragua's present target is El Salvador. And I want to talk to you about that country because there is a lot of misunderstanding about it.

El Salvador, too, had a revolution

guerrillas, leading a campaign of violence against people and destruction of bridges, roads, power stations, trucks, buses, and other vital elements of their economy. Destroying this infrastructure has brought more unemployment and poverty to the people of El Salvador.

Some argue that El Salvador has only political extremes—the violent left and the violent right—and that we must choose between them. That's just not true. Democratic political parties range from the democratic left, to center, to conservative. Trade unions, religious organizations, civic groups, and business associations are numerous and flourishing. There is a small, violent rightwing as opposed to democracy as are the guerrillas, but they are not part of the government. We have consistently opposed both extremes, and so has the Government of El Salvador. Last December, I sent Vice President Bush to El Salvador with a personal letter in which I again made clear my strong opposition to both violent extremes. And this had a positive effect.

Land reform is moving forward. Since March 1980, the program has benefited more than 550,000 peasants or about a quarter of the rural population. But many can't farm their land; they'll be killed by the guerrillas if they do.

The people of Central America want democracy and freedom. They want and hope for a better future. Costa Rica is a well established and healthy democracy. Honduras made a peaceful transition to democracy in 1982. And in Guatemala, political parties and trade unions are functioning. An election is scheduled for July there, with a real prospect that that country can return to full constitutional government in 1985.

In fact, 26 of 33 Latin American countries are democracies or striving to become democracies. But they're vulnerable.

By aiding the communist guerrillas in El Salvador, Nicaragua's unelected government is trying to overthrow the duly elected government of a neighboring country. Like Nicaragua, the Government of El Salvador was born of revolution, but unlike Nicaragua it has held three elections, the most recent a presidential election last Sunday. It has made great progress toward democracy. In this last elec-

...of the people of the world. The communists have saved communist threats and guerrilla violence to vote for peace and freedom.

Let me give another example of the difference between the two countries—El Salvador and Nicaragua. The Government of El Salvador has offered amnesty to the guerrillas and asked them to participate in the elections and democratic processes. The guerrillas refused; they want to shoot their way into power and establish totalitarian rule.

By contrast, the *contras*, the freedom fighters in Nicaragua, have offered to lay down their weapons and take part in democratic elections; but there the communist Sandinista government has refused.

That's why the United States must support both the elected Government of El Salvador and the democratic aspirations of the Nicaraguan people.

If the communists can start war against the people of El Salvador, then El Salvador and its friends are surely justified in defending themselves by blocking the flow of arms. If the Soviet Union can aid and abet subversion in our hemisphere, then the United States has a gal right and a moral duty to help resist. This is not only in our strategic interest; it is morally right. It would be profoundly immoral to let peace-loving friends depending on our help be overwhelmed by brute force if we have any capacity to prevent it.

If our political process pulls together, Soviet- and Cuban-supported aggression can be defeated. On this, the centennial anniversary of President Harry Truman's birth, it's fitting to recall his words spoken to a joint session of the Congress in a similar situation: "The free peoples of the world look to us for support in maintaining their freedoms. If we falter . . . we may endanger the peace of the world, and we shall surely endanger the welfare of this nation."

The speech was given in 1947. The problem then was 2 years of Soviet-supported indirect aggression against Greece. The communists were close to victory. President Truman called on the Congress to provide decisive aid to the Greek Government. Both parties rallied behind President Truman's call. Democratic forces succeeded and Greece became a parliamentary democracy.

Communist subversion is not an irreversible tide. We've seen it rolled back in Venezuela and, most recently, in Grenada. And where democracy flour-

ishes, it can get the job done.

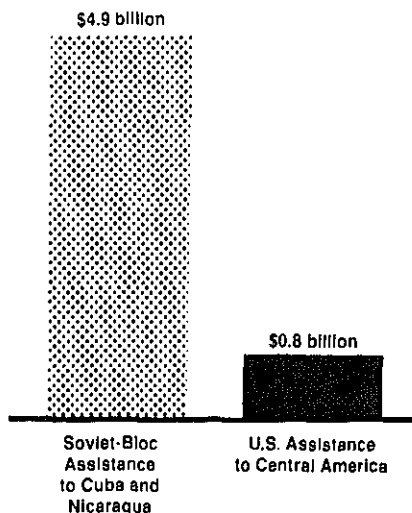
In April 1983, I addressed a joint session of the Congress and asked for bipartisan cooperation on behalf of our policies to protect liberty and democracy in Central America. Shortly after that speech, the late Democratic Senator Henry Jackson encouraged the appointment of a blue-ribbon, bipartisan commission to chart a long-term course for democracy, economic improvement, and peace in Central America. I appointed 12 distinguished Americans from both political parties to the National Bipartisan Commission on Central America.

The bipartisan commission rendered an important service to all Americans—all of us from pole to pole in this Western Hemisphere. Last January, the commission presented positive recommendations to support democratic development, improve living conditions, and bring the long-sought dream for peace to this troubled region so close to home. The recommendations reinforce the spirit of our Administration's policies that help to our neighbors should be primarily economic and humanitarian but must also include sufficient military aid.

In February, I submitted a comprehensive legislative proposal to the Congress which would implement the commission's recommendations. And because this report presented a bipartisan consensus, I am hopeful that the Congress will take prompt action. This proposal calls for an increased commitment of resources beginning immediately and extending regularly over the next 5 years. The program is a balanced combination of support for democracy, economic development, diplomacy, and security measures, with 70% of the dollars to be used for economic and social development. This program can get the job done.

The National Bipartisan Commission on Central America has done its work. Our Administration has done its work. We now await action by the Congress. Meanwhile, evidence mounts of Cuba's intentions to double its support to the Salvadoran guerrillas and bring down that newly elected government in the fall. Unless we provide the resources, the communists will likely succeed.

Assistance



Let's remember, the Soviet bloc gave Cuba and Nicaragua \$4.9 billion in assistance last year, while the United States provided all its friends throughout all of Central America with only a fraction of that amount.

The simple questions are: will we support freedom in this hemisphere or not? Will we defend our vital interests in this hemisphere or not? Will we stop the spread of communism in this hemisphere or not? Will we act while there is still time?

There are those in this country who would yield to the temptation to do nothing. They are the new isolationists, very much like the isolationists of the late 1930s, who knew what was happening in Europe but chose not to face the terrible challenge history had given them. They preferred a policy of wishful thinking that if they only gave up one more country, allowed just one more international transgression, then surely, sooner or later, the aggressor's appetite would be satisfied.

Well, they didn't stop the aggressors; they emboldened them. They didn't prevent war; they assured it.

Legislation is now before the Congress that will carry out the recommendations of the National Bipartisan Commission. Requests for interim appropriations to give the soldiers fighting for their country in El Salvador and the freedom-loving people of Central America the tools

of Representatives.

For the last 4 years, only half of the military aid requested for El Salvador has been provided—even though total aid for El Salvador is only 5% of our worldwide assistance. I am asking the Congress to provide the funds I requested for fiscal year 1984 and also to enact the entire National Bipartisan Commission plan for democracy, economic development, and peace in Central America.

As I talk to you tonight, there are young Salvadoran soldiers in the field facing the terrorists and guerrillas in El Salvador with the clips in their rifles the

evacuation helicopters for the wounded and the lack of medical supplies if they're evacuated have resulted in one out of three of the wounded dying. This is no way to support friends—particularly when supporting them is supporting ourselves.

Last week, as we returned across the vast Pacific to Alaska, I could not help being struck again by how blessed has been our land. For 200 years, the oceans have protected us from much that has troubled the world. But clearly, our world is shrinking. We cannot pretend otherwise if we wish to protect our freedom, our economic vitality, and our precious way of life.

you as citizens, and your representatives in the Congress. The people of Central America can succeed if we provide the assistance I have proposed. We Americans should be proud of what we're trying to do in Central America, and proud of what, together with our friends, we can do in Central America, to support democracy, human rights, and economic growth, while preserving peace so close to home. Let us show the world that we want no hostile, communist colonies here in the Americas: South, Central, or North. ■

WORLD ECONOMY

Cooperative Strategy for Global Growth

**President Reagan
World Affairs Council
Philadelphia
October 15, 1981**

I'm grateful for this opportunity to appear before your distinguished group and to share with you our Administration's views on an important upcoming event. I'll be traveling next week (October 22-23) to Cancun, Mexico, to participate in a summit that will bring together leaders of two-thirds of the world's population and the subject of our talks will be the relationships among the developed and the developing nations. And, specifically, I hope we can work together to *strengthen the world economy and to promote greater economic growth and prosperity for all our peoples.*

U.S. foreign policy proceeds from two important premises: the need to revitalize the U.S. and world economy as a basis for the social and economic progress of our own and other nations and the need to provide adequate defenses to remain strong, safe in a precarious period of world history. In this context, U.S. relations with developing countries play a critical role. These countries are impor-

tant partners in the world economy and in the quest for world peace.

We understand and are sensitive to the diversity of developing countries. Each is unique in its blend of cultural, historical, economic, and political characteristics. But all aspire to build a brighter future, and they can count on our strong support. We will go to Cancun ready and willing to listen and to learn. We will also take with us sound and constructive ideas designed to help spark a cooperative strategy for global growth to benefit both the developed and developing countries. Such a strategy rests upon three solid pillars.

First, an understanding of the real meaning of development, based on our own historical experience and that of other successful countries;

Second, a demonstrated record of achievement in promoting growth and development throughout the world, both through our bilateral economic relations and through cooperation with our partners in the specialized international institutions such as the World Bank and the International Monetary Fund (IMF); and

Third, practical proposals for cooperative actions in trade, investment, or

Understanding Development

We very much want a positive development dialogue, but sometimes this dialogue becomes oversimplified and unproductive. For example, some people equate development with commerce, which they unfairly characterize as simple lust for material wealth. Others mistake compassion for development and claim massive transfers of wealth somehow miraculously will produce new well-being. And still others confuse development with collectivism, seeing it as a plan to fulfill social, religious, or national goals, no matter what the cost to individuals or historical traditions.

All of these definitions miss the real essence of development. In its most fundamental sense, it has to do with the meaning, aspirations, and worth of every individual. In its ultimate form, development is human fulfillment—an ability by all men and women to realize freely their full potential to go as far as their God-given talents will take them.

We Americans can speak from experience on this subject. When the original settlers arrived here, they faced a wilderness where poverty was their daily lot, danger and starvation their close companions. But through all the dangers,

In 1630, John Winthrop predicted that we would be a city upon a hill with the eyes of all people upon us. By 1836, Alexis de Tocqueville was calling America "a land of wonders, in which . . . every change seems an improvement," and what man has not yet done was simply what he hadn't yet attempted to do. And in 1937, Walter Lippmann could draw the lesson that America, for the first time in history, gave men "a way of producing wealth in which the good fortune of others multiplied their own."

Free people build free markets that ignite dynamic development for everyone; and that's the key, but that's not all. Something else helped us create these unparalleled opportunities for growth and personal fulfillment. A strong sense of cooperation; free association among individuals, rooted in institutions of family, church, school, press, and voluntary groups of every kind. Government too played an important role. It helped eradicate slavery and other forms of discrimination. It opened up the frontier through actions like the Homestead Act and rural electrification. And it helped provide a sense of security for those who, through no fault of their own, could not support themselves.

Government and private enterprise complement each other. They have, they can, and they must continue to coexist and cooperate. But we must always ask: Is government working to liberate and empower the individual? Is it creating incentives for people to produce, save, invest, and profit from legitimate risks and honest toil? Is it encouraging all of us to reach for the stars? Or does it seek to compel, command, and coerce people into submission and dependence?

Ask these questions, because no matter where you look today, you will see that development depends upon economic freedom. A mere handful of industrialized countries that have historically coupled personal initiative with economic reward now produce more than one-half the wealth of the world.

The developing countries now growing the fastest in Asia, Africa, and Latin America are the very ones providing more economic freedom for their people—freedom to choose, to own property, to work at a job of their choice, and to invest in a dream for the future.

Perhaps the best proof that development and economic freedom go hand-in-hand can be found in a country which

denies freedom to its people—the Soviet Union. For the record, the Soviets will not attend the conference at Cancun. They simply wash their hands of any responsibility, insisting all the economic problems of the world result from capitalism and all the solutions lie with socialism.

The real reason they're not coming is they have nothing to offer. In fact, we have just one question for them: Who's feeding whom? I can hardly remember a year when Soviet harvests have not been blamed on "bad weather." And I've seen a lot of harvest seasons, as the press keeps reminding me [laughter, applause]. They've had quite a long losing streak for a government which still insists the tides of history are running in its favor.

The Soviets, of course, can rely on farmers from America and other nations to keep their people fed. But ironically they have a reliable source of nourishment right in their own country—the 3% of all cultivated land that farmers in the Soviet Union are allowed to farm on their own and market. Those who farm that 3% of land produce nearly 30% of the meat, milk, and vegetables in Russia; 33% of the eggs and 61% of the potatoes.

Now, that's why this isn't a question of East versus West, of the United States versus the Soviet Union. It's a question of freedom versus compulsion, of what works versus what doesn't work, of sense versus nonsense. And that's why we say: Trust the people, trust their intelligence, and trust their faith, because putting people first is the secret of economic success everywhere in the world.

U.S. and International Records of Achievement

Now I want to talk about the second part of our message at Cancun: Our record—and that of the international economic system itself—is helping developing countries generate new growth and prosperity.

U.S. Development Record. Here again it's time to speak out with candor. To listen to some shrill voices, you'd think our policies were as stingy as your Philadelphia Eagles' defense [laughter]. There is a propaganda campaign in wide circulation that would have the world believe that capitalist United States is the cause of world hunger and poverty.

And yet each year, the United States provides more food assistance to developing nations than all the other nations combined. Last year, we extended almost

that flows like a deep, mighty river through the history of our nation. When Americans see people in other lands suffering in poverty and starvation, they don't wait for government to tell them what to do. They sit down and give and get involved; they save lives. And that's one reason we know America is such a special country.

All that is just one side of the coin. The other, only rarely acknowledged, is the enormous contribution we make through the open, growing markets of our own country. The United States buys approximately one-half of all the manufactured goods that non-OPEC developing countries export to the industrialized world, even though our market is only one-third of the size of the total industrialized world. Last year, these same developing countries earned twice as much from exports to the United States than they received in aid from all countries combined. And, in the last 2 years alone, they earned more from exports to the United States than the entire developing world has received from the World Bank in the last 36 years.

Even as we work to strengthen the World Bank and other international institutions, let us recognize then the enormous contribution of American trade to development. The barriers to trade in our markets are among the lowest in the world. The United States maintains few restrictions on our customs procedures and they are very predictable. In 1980, 51% of our imports from developing countries entered this country duty free. American capital markets also are more accessible to the developing countries than capital markets anywhere else in the world.

From all this two conclusions should be clear: Far from lagging behind and refusing to do our part, the United States is leading the way in helping to better the lives of citizens in developing countries. And a major way that we can do that job best, the way we can provide the most opportunity for even the poorest of nations, is to follow through with our own economic recovery program to insure strong, sustained noninflationary growth. That's just what we're determined to do.

Every 1% reduction in our interest rates due to lower inflation improves the balance of payments of developing countries by \$1 billion. By getting our own economic house in order, we win, they win, we all win.

International Achievements. Now just as there is need for a clearer focus on the real meaning of development and our own development record, there's a similar need to be clear about the international economic system. Some argue that the system has failed; others that it's unrepresentative and unfair; still others say it is static and unchanging. And then a few insist that it's so sound it needs no improvement. Well, we need a better understanding than that.

As I recalled recently before the annual meeting of the World Bank and the International Monetary Fund, the post-war international economic system was created on the belief that the key to national development and human progress is individual freedom—both political and economic. This system provided only generalized rules in order to maintain maximum flexibility and opportunity for individual enterprise and an open international trading and financial system.

The General Agreement on Tariffs and Trade (GATT), the World Bank, the International Monetary Fund represent free associations of independent countries which accept both the freedom and discipline of a competitive economic system. Let's look at the record of international growth and development under their auspices.

- From 1950 to 1980, gross national product per capita in 60 middle-income countries increased twice as fast as in the industrial countries when real purchasing power is taken into account.

- In 1951 to 1979, industry and manufacturing in developing countries also expanded at a faster rate than their counterparts in the industrial countries.

- Since 1960, export volume for the developing countries, excluding OPEC, grew between 6% and 7% a year. Growth was particularly strong in manufactured exports, and even some low-income oil importers participated in this trend.

- And concessional assistance grew by 50% in real terms during the 1970s.

By any standard, this is a remarkable record. It's not a basis for complacency, however. We recognize that despite the progress many developing nations

progress remains to be made, we can take pride in what has been accomplished—pride in the efforts of those countries that did most to utilize effectively the opportunities of the system and pride in the system itself for being sufficiently flexible to insure that the benefits of international commerce flow increasingly to all countries.

Progress is also evident in the evolution of the international institutions themselves. Today approximately two-thirds of the members of GATT are developing countries, whereas only one-half were developing countries when it was created. Also, the resources of both the World Bank and the IMF have increased dramatically, as has the participation of developing country members.

Certainly the record of the international system is not perfect, but people flirt with fantasy when they suggest that it's a failure and unfair. We know that much must still be done to help low-income countries develop domestic markets, strengthen their exports. But the way to do that is not to weaken the system that has served us so well but to continue working together to make it better.

Program for Action

Now, this brings me to the third and final part of our message in Cancun—a program for action. This summit offers the leadership of the world an opportunity to chart a strategic course for a new era of international economic growth and development. And to do this, all countries, developed and developing alike, demonstrate the political will to address the real issues, *confront the obstacles, and seize the opportunities for development wherever they exist.* To cite that old proverb: "Give a hungry man a fish and he'll be hungry tomorrow; teach him how to fish, and he'll never be hungry again."

The principles that guide our international policies can lead to the cooperative strategy for global growth that we seek. The experience of our own country and others confirms the importance of strategic principles.

First, stimulating international trade by opening up markets, both within individual countries and between countries;

Second, tailoring particular development strategies to the specific needs and potential of individual countries and regions;

Third, guiding assistance toward the development of self-sustaining productive capacities, particularly in food and energy;

Fourth, improving in many of the countries the climate for private investment and the transfer of technology that comes with such investment; and

Fifth, creating a political atmosphere in which practical solutions can move forward—rather than founder on a reef of misguided policies that restrain and interfere with the international marketplace or foster inflation.

Developing countries cannot be lumped together under the title as if their problems were identical. They're diverse with distinct resource endowments, cultures, languages, and national traditions. The international system is comprised of independent, sovereign nations, whose separate existence testifies to their unique qualities and aspirations.

What we will seek to do at Cancun, and elsewhere in subsequent meetings, is examine cooperatively the roadblocks which developing countries' policies pose to development, and how they can best be removed. For example, is there an imbalance between public and private sector activities? Are high tax rates smothering incentives and precluding growth in personal savings and investment capital?

And then we must examine the obstacles which developed countries put in the way of development, and how they, in turn, can best be removed. For example, are industrial countries maintaining open markets for the products of developing countries? Do they permit unrestricted access by developing countries to their own capital markets?

And finally, we must decide how developed and developing countries together can realize their potential and improve the world economy to promote a higher level of growth and development.

Stimulating Trade. Our program of action includes specific, practical steps that implement the principles I've outlined. First, stimulating international trade by opening up markets is absolutely essential. Non-OPEC developing nations, by selling their products in American markets, earned \$63 billion just last year. This is more than twice the amount of total development assistance provided to all developing countries in that same year. It's time for all of us to live up to

ing nations in the early 1980s is to strengthen the GATT. It is through a shared, reciprocal effort within GATT that further liberalization of industrial nations' trade regimes is most likely to be achieved. This will benefit developing countries more than any other single step.

The United States will work for a successful GATT ministerial meeting in 1982. We'll launch an extensive round of consultations with all countries, including developing countries, to prepare for that GATT meeting. We'll join with developing countries in working for an effective safeguards code that reflects our mutual concerns and interests. In addition, we'll continue to support the generalized system of preferences, and we'll take the lead in urging other developing countries to match us in expanding developing nations' access to markets.

Trade's contribution to development can be magnified by aligning trade opportunities more closely with private investment, development assistance, technology sharing. At Cancun, we will make it clear that we're ready to cooperate with other nations in putting in place this kind of integrated, complementary effort.

Tailoring Development Programs to Specific Needs. Actually, we're already doing so, which brings me to the second part of our program—tailoring particular development strategies to the specific needs and potential of individual countries and regions. In our own hemisphere, the United States has joined together with Mexico, Venezuela, and Canada to begin developing flexible, imaginative, and cooperative programs linking trade, investment, finance, foreign assistance, and private sector activities to help the nations in the Caribbean and to help them help themselves.

We met initially in Nassau in July. Consulting then took place with the Central American countries and Panama in Costa Rica, and with the Caribbean countries in Santo Domingo. By yearend, we expect to complete consultation and move forward with efforts that are tailored to specific situations in individual countries.

Guiding Assistance Toward Self-Sustaining Productive Activities. Third, guiding our assistance toward the devel-

oping countries is critically important—for some, literally, it's a matter of life or death. It's also an indispensable basis for overall development. The United States has always made food and agriculture an important emphasis of its economic assistance programs. We have provided massive amounts of food to fight starvation, but we have also undertaken successful agricultural research, welcomed thousands of foreign students for instruction and training at our finest institutions, and helped make discoveries of the high-yielding varieties of the Green Revolution available throughout the world.

Looking to the future, our emphasis will be on the importance of market-oriented policies. We believe this approach will create rising agricultural productivity, self-sustaining capacity for research and innovation, and stimulation of job-creating entrepreneurship in rural areas. Specifically, we've encouraged policies which reduce or eliminate subsidies to food consumers and provide adequate and stable price incentives to their agricultural sectors to increase production. We'll emphasize education and innovative joint research and development activities throughout the United States and developing countries' institutions. We will also encourage rural credit, improved storage and distribution facilities, and roads to facilitate marketing. Now that's a lot. But we need to do more.

The focus will be on raising the productivity of the small farmer, building the capacity to pursue agricultural research, and stimulating productive enterprises that generate employment and purchasing power. We will emphasize: new methods of plant improvement to develop crops that tolerate adverse soils and climatic conditions, insects, and diseases; research to increase the efficiency of using irrigation water; systems for the production of several crops per year in the humid tropics; and methods of human and animal disease control to remove such serious problems as the tsetse fly in Africa which bars agricultural production in vast areas of potentially productive land.

Addressing the energy problems of developing countries is also vital to their sustained economic growth. Their net oil bill in 1980 was \$46 billion, up from only \$4 billion in 1973. This puts tremendous pressure on their balance of payments and threatens development.

The United States will emphasize funding for energy-related activities in the years ahead, especially for private ef-

orts. We will support energy lending by multilateral institutions provided the projects are economically viable and they expand developing-country energy production through greater private investment.

We will also support selected elements of the programs of action of the U.N. Conference on New and Renewable Sources of Energy. They include intensified energy training programs for technicians from developing countries and efforts to help developing countries assess and more efficiently utilize their resources.

Improving Climate for Private Investment. Fourth, improving the climate for private capital flows, particularly private investment. Investment is the lifeblood of development. Private capital flows, commercial lending, and private investment can account for almost 70% of total financial flows to developing countries. It's impractical, not to mention foolish, to attack these flows for ideological reasons.

- We call upon all our partners in finance and development, business, banks, and developing countries to accelerate their cooperative efforts.

- We seek to increase cofinancing and other private financing with the multilateral development banks. We want to enhance the international activities which foster private sector debt and equity financing of investments in the developing countries. Its program is increasing in both size and diversity and the bulk of International Finance Corporation (IFC) projects are privately financed in the developing countries from domestic and external sources.

- We will explore the development of further safeguards for multilateral investment and ways to build upon successful bilateral experiences with these countries. We believe it is important to identify impediments to investment and trade such as conditions of political instability and the threat of expropriation. Working in concert with our trading partners, we'll seek to remove these impediments.

- We will attempt to promote a general agreement of investment allowing countries to harmonize investment policies and to negotiate mutually beneficial improvements in the investment climate.

Finally, we'll make an effort to identify developed and developing country tax measures which might increase market-oriented investment from both external domestic sources and in the developing countries.

Promoting International Cooperation. Fifth, and finally, let me turn to the question of how we work together. To a remarkable degree, many nations in the world have now entered into an economic dialogue. The choice before us is how to organize and conduct it. Do we persist in contentious rhetoric, or do we undertake practical tasks in a spirit of cooperation and mutual political will? I think our country has signaled the answer to that question.

We go to Cancun with a record of success and contributions second to none—determined to build on our past, ready to offer our hand in friendship as a partner in prosperity. At Cancun we will promote a revolutionary idea born more than 200 years ago, carried to our shores in the hearts of millions of immigrants and refugees, and defended by all who risked their lives so that you and I and our children could still believe in a brighter tomorrow. It's called freedom, and it works. It's still the most exciting, progressive, and successful idea the world has ever known.

Conclusion

In closing, I want to tell you about something a friend of yours and mine said in a speech in Washington not too long ago. Being a man of vision, with a great admiration for America, he explained that he had come on a mission from his native land—a mission to secure economic progress for his people. And told his audience: "I am dreaming. Really I am dreaming of a drive like the drive of your grandfathers, the drive to the West. Water we have, land we have, climate we have, farming we have. But we need technology, we need know-how, new ways of irrigation, new ways of agriculture. All this one can find here in America." And then he pleaded: "Come and be my partners, be pioneers like your grandfathers who opened the West and built in 200 years the most powerful country, the richest country, the great United States of America."

Those words were spoken at the U.S. Chamber of Commerce in March 1979 by Anwar Sadat. This courageous man of peace and hope and love has now been taken from us. But his mission, his dream remain. As we proceed to Cancun, can we not join together so that the good he wanted for all people of the world would finally become theirs and his to share? ■

Foreign Aid and U.S. National Interests

**Secretary Shultz
Southern Center for
International Studies
Atlanta
February 24, 1983**

A speech such as today's provides an opportunity for me to use a wide-angle lens. Although the broad picture is ever in our mind, the day-to-day business of the State Department generally finds us using not the broad brush but the jeweler's glass as we examine the myriad individual issues on which our foreign relations turn. So today I want to begin by opening the lens full scope. I will describe the fundamental tenets which underlie President Reagan's foreign policy.

Then I'd like to turn the lens down in two successive notches: first, a moderate turn to discuss the importance to our foreign policy of the more than 100 developing countries of the Third World—Asia, Africa, and South America.

Finally, I plan to focus way down and—in this time of tight budgets—discuss the funds which the United States must expend to achieve its objectives. Contrary to popular opinion, the currency of foreign affairs is not cookies. It takes resources—modest but sustained, applied credibly over time—to secure international peace, foster economic growth, and help insure the well-being of each of our citizens. But we'll start with the broader view.

Fundamental Tenets of U.S. Foreign Policy

Since his inauguration 2 years ago, President Reagan has sought to revitalize U.S. foreign policy. He is resolved to reduce a decade's accumulation of doubt about the U.S. commitment and staying power. Our watchwords in doing this are four ideas:

First, we start with realism.

Second, we build our strength.

Third, we stress the indispensable need to negotiate and to reach agree-

Let me take each of these very briefly in turn. I'm very conscious of them, because as I get caught up in the day-to-day details of foreign policy and go over to the White House to discuss my current problems with the President, he has the habit of bringing me back to these fundamentals. And I believe they are truly fundamental.

Realism. If we're going to improve our world, we have to understand it. And it's got a lot of good things about it; it's got a lot of bad things about it. We have to be willing to describe them to ourselves. We have to be willing if we see aggression to call it aggression. We have to be willing if we see the use of chemical and biological warfare contrary to agreements to get up and say so and document the point. When we see persecution, we have to be willing to get up and say that's the reality, whether it happens to be in a country that is friendly to us or not.

When we look at economic problems around the world, we have to be able to describe them to ourselves candidly and recognize that there are problems. That's where you have to start, if you're going to do something about them. So, I think realism is an essential ingredient in the conduct of our foreign policy.

Strength. Next, I believe is strength. We must have military strength, if we're going to stand up to the problems that we confront around the world and the problems imposed on us by the military strength of the Soviet Union and the demonstrated willingness of the Soviet Union to use its strength without any compunction whatever.

So, military strength is essential, but I think we delude ourselves if we don't recognize—as we do, as the President does—that military strength rests on a strong economy; on an economy that has the capacity to invest in its future, believe in its future—as you do here in Atlanta; an economy that brings inflation under control and that stimulates the productivity that goes with adequate savings and investment and has given us the rising standard of living and remarkable economic development that

self-confidence and our own willpower and our own notion that we are on the right track to go with the strength in our economy and our currency capability.

Negotiation. Of course, beyond this, if we are realistic and we are strong, I believe it is essential that we also are ready to go out and solve problems, to negotiate with people, to try to resolve the difficulties that we see all around the world—not simply because in doing so we help the places where those difficulties are but because in doing so we also help ourselves, we further our own interests. So, negotiation and working out problems has got to be a watchword for us, and we do that all around the world. I think it is no exaggeration to say that the efforts of the United States resulted in saving the city of Beirut from complete destruction. We are active in trying to resolve difficulties in Kampuchea. We have called attention to the problems in Afghanistan. We're working in southern Africa in a most difficult situation to bring about a resolution of the Namibia issues, and so on around the world. But I like to think that the United States must be conceived of as part of the solution and not part of the problem. That's where we have to be standing.

Finally, if we can achieve these things, if we can be strong enough so that people must take us seriously, and put our ideas forward in a realistic manner, then we will be able to solve problems and have some competence to be successful, and, if we're successful, certainly the world can be better.

Relations With the Third World

Against that background, let me turn to the problems of the Third World and our dealings with them and our stake in doing so successfully. Many of our citizens still see the developing countries as accessories to our basic interests. But over the past two decades, these countries have increasingly moved to the front of the stage where issues of peace and prosperity are played out. I believe this trend has assumed such proportions that I can advance two fundamental propositions.

First, there will be no enduring economic prosperity for our country without economic growth in the Third World.

Second, there will not be security and peace for our citizens without

For the past 15 years, until the current recession took its toll, the developing countries as a whole have been growing more rapidly than the United States and Europe. As they have grown, they have become increasingly important as customers and suppliers for ourselves and other industrial nations.

In 1980, developing countries purchased about 40% of U.S. exports—more than bought by Western Europe, Eastern Europe, the Soviet Union, and China combined. These countries have accounted for more than half the growth in U.S. exports since 1975. At this juncture, approximately 1 out of every 20 workers in our manufacturing plants and 1 out of every 5 acres of our farmland produce for Third World markets. I might say that 2 out of every 5 acres of our farmland produce for export. That's how interrelated our farm community is with the international community.

The current worldwide recession has vividly—if painfully—highlighted these relationships. In the past several years, growth rates in the developing countries have dropped from over 5% per year to around 2%. Partly as a result, our exports to these countries—which were increasing at more than 30% a year in the late 1970s—have tapered off. For example, in the first 8 months of 1982, U.S. exports to Mexico dropped 26%; to Chile, 59%; and to Thailand, 25%. According to estimates, every \$1 billion decline in U.S. exports erases 60,000–70,000 U.S. jobs after multiplier effects are taken into account. There's a direct correlation. Today some of the workers in our unemployment lines and some of the businesses and farms on the auction block are living, if unwanted, proof that the well-being of our citizens is linked to the well-being of citizens in the Third World.

On the other side of the trade ledger, the developing countries supply about 40%–45% of the goods which we import for our factories and consumers. Although we are richer in minerals than most industrialized countries, the Third World supplies more than half the bauxite, tin, and cobalt used by U.S. industry. For some 11 other strategic metals and minerals, the developing countries supply more than half of our imports. For some natural products, such as rubber, coffee, cocoa, and hard fibers, the Third World supplies everything we use.

This intertwining of the European and our economy with those of the Third

1990s. As the recession fades, we can expect the faster growing countries—particularly in Asia but also in South America—to resume their role as engines of growth in the world economy. They will open up new opportunities for our exports and jobs for our citizens. We have an abiding interest in fostering this growth.

It is for this reason that we are joining with other industrial nations to add funds to the International Monetary Fund. These funds are critical to helping debt-plagued developing countries make painful but unavoidable adjustments in their economies and thereby resume healthy growth rates. We have a direct stake in their success.

For this reason, also, we resist—and call on all Americans to resist—pleas for further protectionism. Putting up barriers to imports will only result in losing markets for our exports and paying higher prices for goods. Resorting to protectionism as an antidote to recession is like turning to alcohol to ward off the cold. It may feel good at first, but it shortly becomes corrosive. The tonic for our ills is noninflationary growth, not stiff draughts of old Smoot-Hawley.

Beyond the demands of economies, the Third World is fundamental to our aspirations for security and peace. Since 1950, most of the major threats to international stability, and the chief opportunities for expansion of the Soviet Union's political reach, have come in the Third World. The headlines have rung with now familiar names: Korea in 1950; Dienbienphu in 1954; Suez, Cuba, and more recently Iran, Angola, Afghanistan, Kampuchea, El Salvador, and Ethiopia.

A study by the Brookings Institution has identified no fewer than 185 incidents in developing countries since the end of World War II when U.S. military forces were used in situations which threatened our political or economic interests. As we speak today, 1,200 Marines are on duty in Lebanon helping again to patch the torn fabric of peace.

The point is clear. The fault line of global instability runs strongly across the continents of the Third World. This instability is inimical to our security in many ways. Small incidents can flare into larger conflagrations and potentially into confrontations between the superpowers. Korea and Cuba teach this lesson well.

More subtly, the Soviet Union and its allies are able to feed on political in-

tion. Fifth, and finally, let me turn to the question of how we work together. To a remarkable degree, many nations in the world have now entered into an economic dialogue. The choice before us is how to organize and conduct it. Do we persist in contentious rhetoric, or do we undertake practical tasks in a spirit of cooperation and mutual political will? I think our country has signaled the answer to that question.

We go to Cancun with a record of success and contributions second to none—determined to build on our past, ready to offer our hand in friendship as a partner in prosperity. At Cancun we will promote a revolutionary idea born more than 200 years ago, carried to our shores in the hearts of millions of immigrants and refugees, and defended by all who risked their lives so that you and I and our children could still believe in a brighter tomorrow. It's called freedom, and it works. It's still the most exciting, progressive, and successful idea the world has ever known.

Conclusion

In closing, I want to tell you about something a friend of yours and mine said in a speech in Washington not too long ago. Being a man of vision, with a great admiration for America, he explained that he had come on a mission from his native land—a mission to secure economic progress for his people. And told his audience: "I am dreaming. Really I am dreaming of a drive like the drive of your grandfathers, the drive to the West. Water we have, land we have, climate we have, farming we have. But we need technology, we need know-how, new ways of irrigation, new ways of agriculture. All this one can find here in America." And then he pleaded: "Come and be my partners, be pioneers like your grandfathers who opened the West and built in 200 years the most powerful country, the richest country, the great United States of America."

Those words were spoken at the U.S. Chamber of Commerce in March 1979 by Anwar Sadat. This courageous man of peace and hope and love has now been taken from us. But his mission, his dream remain. As we proceed to Cancun, can we not join together so that the good he wanted for all people of the world would finally become theirs and his to share? ■

U.S. National Interests

**Secretary Shultz
Southern Center for
International Studies
Atlanta
February 24, 1983**

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Third, we stress the indispensable need to negotiate and to reach agreements.

Fourth, we keep the faith. We believe that progress is possible even

Let me take each of these very briefly in turn. I'm very conscious of them, because as I get caught up in day-to-day details of foreign policy go over to the White House to my current problems with the Soviet Union, he has the habit of bringing me back to these fundamentals. And I believe these are truly fundamental.

Realism. If we're going to understand our world, we have to understand it as it is. And it's got a lot of good things about it, but it's got a lot of bad things about it. We have to be willing to describe the world as it is. We have to be willing to see aggression for what it is. We have to be willing to call it aggression. We have to be willing to see the chemical and biological warfare that is being used to get up and say to the world, "This is the point. When we see aggression, we have to be willing to act." And say that's the reality, whether it happens to be in a country that is friendly to us or not.

When we look at economic issues around the world, we have to be willing to describe them to ourselves as they are. We recognize that there are problems. That's where you have to start. That's where you have to start going to do something about them. I think realism is an essential ingredient in the conduct of our foreign policy.

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can self-confidence and our own will power and our own notion that we are on the right track to go with the strength in our economy and our military capability.

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This intertwining of the European and our economy with those of the Third

World is a fact of life. In the 1960s and 1990s. As the recession fades, we can expect the faster growing countries—particularly in Asia but also in South America—to resume their role as engines of growth in the world economy. They will open up new opportunities for our exports and jobs for our citizens. We have an abiding interest in fostering this growth.

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More subtly, the Soviet Union and its allies are able to feed on political in-

stability. Some of the most significant uses by the Soviets of military power since World War II have been in the developing world. The Soviet deployment of a deepwater navy, an airlift capacity, and mobile ground forces have given them the ability to intervene when they perceive opportunities.

In addition, the Soviet Union supports 870,000 troops in North Korea—60% more than maintained by South Korea. It bankrolls the Vietnamese Army, which has positioned 180,000 troops directly on the border of Thailand. It supports about 40,000 Cuban troops in Angola, Ethiopia, and Mozambique. In 1981, the Soviet Union supplied about three times as many tanks, aircraft, and artillery pieces as did the United States.

We cannot ignore these realities as they challenge our national interests. Strategically, some of the least secure Third World countries are sources of critical raw materials or lie astride searoutes which carry our military forces and world commerce. The premier example is the Persian Gulf. About 32% of the free world's oil supplies is pumped there. The region is vital to the economic and political security of Europe, Japan, and the United States. It is in our interest to build stability in this region and thereby help assure access to those supplies.

As a parenthetical remark, I want to mention my belief that the recent decline in oil prices—and the possibility of further declines—will spur the free world's economic recovery. For some countries—such as Venezuela and Mexico—cheaper oil surely means tougher times. But it will be good for most of us. I have seen one illustrative estimate that a decline in oil prices to \$20 per barrel would boost real growth rates in the industrial countries by up to 1.5%. A less steep decline would have proportionately positive effects. So, I have the sense that as people contemplate the declines in oil prices, there's a tendency for people to wring their hands about what happened to this or that business or financial institution or country—and there are problems and we need to look at them, all right. But let's not forget the main point, it's going to be good for us and good for economic growth, which we need.

The job of building our security also requires that we maintain military facilities and strengthen indigenous defense forces around the world. This includes U.S. bases in the Philippines and in Turkey, the Azores, Morocco, and other strategically placed countries.

The United States cannot defend its interests by operating out of the United States and Europe alone. We need the cooperation of countries in the Third World to grant transit, refueling, and base rights. Otherwise, while we may wish to build up a rapid deployment force, we will be unable to deploy it without Third World friends who will allow us to use their facilities. We must be prepared, in turn, to help these key countries achieve their aspirations for security and economic growth. This is not just a short-term proposition. The process of mutual cooperation weaves ties of interdependence and friendship which will redound to our benefit in years to come.

It goes without saying that the least desirable method for preserving our strategic interests and insuring stability in the developing countries is by sending in U.S. forces. The 185 incidents which I mentioned earlier represent, in essence, 185 failures to resolve problems by more measured means. If we are to reduce incidents in the future, we need a significant program—sustained over time—to secure peace and economic well-being in regions vital to our security.

U.S. Security and Development Cooperation Program

In fact, we have such a program. It is called the U.S. Security and Development Cooperation Program. Although our Administration has clarified its goals and sharpened its focus, it is essentially the same program endorsed by every U.S. President since Harry Truman. It's sometimes called foreign aid and all too often depicted as a giveaway. But that is a misnomer. The program's purpose is to create those conditions of growth, security, and freedom in developing countries which serve the fundamental interests of each U.S. citizen.

Let me give some examples of how it works. Our highest priority in this program is bringing peace to the Middle East. Because of the ties between the United States and Israel, a crisis in this region has always placed us in the center of a potentially serious world confrontation. This has been so for more than 25 years. Achieving a lasting peace

each and every citizen in those lands but will ease one of the fundamental threats to world peace and our own security.

Making peace there means more than holding talks, as vital as these are. Sustained economic growth is needed in Egypt, Israel, and Jordan. Lebanon needs to open roads, restore electrical service, restart its economic engines, and resume its place as a stable and friendly nation in that part of the world. These countries also need to be able to defend themselves against those they see as aggressors. In this circumstance, we and other nations provide both economic and military aid. This aid is indispensable to the peace process.

Another program—with particular bearing here in the south—is the President's Caribbean Basin initiative. Some of you have dealt directly with the consequences of poverty, political turmoil, and Soviet/Cuban interventionism near our shores. These have come in human form—off airplanes and out of boats—to present in person their claims for a better deal. For the south, the need to help the Caribbean and Central American nations grow economically and build democratic institutions is not an abstract issue. It is one which can directly affect your economy and society.

Another part of our program is helping curb the rampant population growth which underlies much of the Third World's poverty and threatens our planet's resource base. The arithmetic is inexorable. Before World War II there were more than 2 billion people in the world. Now there are 4.3 billion. Even though growth rates have slowed in recent years, 17 years from now, in the year 2000, there will be 6 billion. If we act effectively, the world population may stabilize at between 12 and 16 billion in the last half of the next century. That's 12-16 billion people to feed, clothe, and provide jobs for.

To bring it closer to home, Mexico currently has 62 million people. If they are able to lower their birth rate to the two-children-per-family level in the first 20 years of the next century, they will have "only" about 250 million people when their population stops growing.

Faced with these numbers, the United States provides direct technical advice and training to 27 countries to assist them to mount voluntary family planning programs. It's been an effective effort. We have a deep interest in continuing it.

agricultural universities to help developing countries grow more food. Although there are food surpluses now, population increase, plus growth in the world economy, means that food production in the developing countries must keep growing at 3%-4% per year, or we may all face shortages and rising prices again by the end of the decade.

So with U.S. funds, Mississippi State is introducing improved seed in Thailand. The University of Florida is increasing crop production in Ecuador. Auburn is working in Jamaica and Indonesia on fish production. It is in all our interests that these universities, and others across our agricultural heartland, continue with our support to devote some of their considerable talents to building secure food supplies in the world.

Let me give one more example, this time on the security side. A glance at a map indicates the importance of Turkey to our strategic interests. It sits like a wedge between the Soviet Union, the Middle East, and the western flank of the Persian oil fields. With Iran and Iraq in turmoil, the importance of an economically and militarily strong Turkey has increased. In the last few years, the Russians have increased the size of their forces stationed north of Turkey.

Hence, we and other countries of Europe, led by the Germans, are helping the Turks spur their economy and replace obsolete tanks and other equipment in their armed forces. The cost to us of assisting Turkey maintain strong defense forces between Russia and the Middle East is less than one-sixth of the cost of maintaining U.S. soldiers overseas for the same purpose.

These are examples of how an investment of our resources contributes to the well-being and security of each of us in this room. The cost is modest. For the coming fiscal year, the amounts we've

requested from the Congress in the examples I've given work out as follows for each U.S. citizen:

For building peace in the Middle East	\$12.35 per person
For the Caribbean Basin	\$3.84 per person
For curbing population growth . .	.92¢ per person
For building secure food supplies . .	\$3.15 per person
For helping Turkey . . .	\$1.78 per person

The total request for all our security and economic assistance programs in the developing countries is \$43.91 per person.¹ By contrast, we Americans spend \$104 per person a year for TV and radio sets, \$35 per person per year for barber-shops and beauty parlors, \$97 per person per year for soap and cleaning supplies, and \$21 per person per year for flowers and potted plants.

I'm not belittling any of these expenses. That's not my intent. They're part of our commerce, which provides us with jobs as producers and satisfies us as consumers. I am simply trying to establish some relative values.

Every American must understand that it's necessary to spend a fraction of our collective resources to secure our most precious goals of freedom, economic well-being, and peace. An esteemed son of Georgia and predecessor of mine, Dean Rusk, said it succinctly: "Freedom is not free."

¹ The figures cited are derived by dividing the Administration's FY 1984 request for development assistance, PL 480, economic support funds, military education and training program, military assistance and foreign military grants by the U.S. population of approximately 230 million. The figures do not include foreign military sales guaranteed loans which are extended at market or near-market rates to foreign governments. These loans by law are not included in the U.S. budget.

Let me close by opening my lens back up and reverting to the fourth of the tenets which guide our conduct of foreign affairs: namely, our conviction that progress is possible. We Americans have lived for over 40 years in a tumultuous world in which we have pursued four basic goals:

First, building world peace and deterring war—above all, nuclear war which would threaten human existence;

Second, containing the influence of nations which are fundamentally opposed to our values and interests—notably the Soviet Union and its allies;

Third, fostering a growing world economy and protecting U.S. access to free markets and critical resources; and

Fourth, encouraging other nations to adopt principles of self-determination, economic freedom, and the rule of law which are the foundation stones of American society.

In these endeavors, we have had some signal successes. Some formerly troubled countries of the world—for instance, the countries of East Asia—are now relatively strong and prosperous. Western Europe, a cockpit of warring nationalities for a century, has been at peace for 37 years. Progress has been made in fundamental areas affecting the mass of mankind: better health, longer life expectancy, more schooling, increased income. We have a chance in the coming year to make major strides in fashioning peace in the Middle East.

Americans as a people are pragmatists, suspicious of grand assurances or easy promises. But I'm convinced that if we persevere—proceeding realistically, backed by strength, fully willing to negotiate and search for agreement—we will be able to brighten the future for ourselves and for others throughout the world. ■

The U.S. and the Developing World Our Joint Stake in the World Economy

Secretary Shultz
Foreign Policy Association
New York
May 26, 1983

More than three-quarters of the world's population live in what we call the developing world. For all our preoccupations with the problems of the Atlantic alliance, U.S.-Soviet relationship, or the Middle East, much of the world's future is being shaped by what happens in those hundred-odd nations embracing the broad majority of humanity.

Most of the news that Americans see or read or hear about the developing world seems to concern political turmoil, debt problems, the need for aid, or other difficulties. These day-to-day events—which do not give a complete or accurate picture—are only surface manifestations of some very fundamental changes taking place on our planet. The evolution of the developing countries and the problems they encounter challenge much of our conventional thinking about both political and economic development. And these events and trends in the developing world affect our own lives more directly than most of us realize.

The importance of development is not only economic but also political. The challenge is not so much to our resources as to our political insight into the evolution of traditional societies in the modern age. The broader problem is not simply one of economic advance but of international order.

Through all of its history, the United States has championed the cause of self-determination of peoples and national independence from colonial rule. We can be proud of the role our country has played in helping other peoples achieve independence and the opportunities for freedom that we have enjoyed. Since the Second World War, the world has undergone a vast transformation as more than 100 new nations have come into being. An international system that had been centered on Europe for centuries, and that regarded all non-European areas as peripheral or as objects of rivalry, has become in an

In an era of technological advance, instant communications, and giant strides in public health, we have before us the prospect of a world of spreading opportunity and prosperity. But in an era of nuclear weapons, political instability, and aggressive ideologies, we simultaneously face the possibility of spreading anarchy and conflict. Which prospect will dominate the future? That depends on what choices are made now, by both the industrial and the developing nations—choices about the international order and choices about national policies. The vision and statesmanship of nations and leaders will be tested as never before.

The United States shares the hope of the world's peoples that mankind will choose the first path—toward a world of progress, freedom, and peace. This is the kind of world that Americans hope to see in the remainder of this century and in the next. We are prepared to invest our fair share of effort and resources to help bring it about. In the pursuit of that goal, economic development will play a central part. So I would like to share with you today some thoughts about the development process—first its political, then its economic dimension. I will describe the policies by which this country is carrying out its commitment to progress, freedom, and peace in the developing world.

Political Evolution and Economic Development

We have enough experience now to see that economic development is a complex process with many pitfalls and far-reaching implications. There used to be a naive assumption that economic advance brought political stability almost automatically. Perhaps we were extrapolating too much from the success of the Marshall Plan, in which a massive influx of investment helped reinvigorate democracy and stability in Western Europe. It is a false analogy, however, when the same results are expected from economic development in new na-

tions struggling for a sense of political identity, or starting from a much lower level of economic advancement, or just beginning the quest for forms of popular government. And we have seen—particularly in the Iranian case—how too rapid modernization imposed from the top down can create such social dislocations and tensions that the result is political upheaval, not political stability.

Instability may well be part of the turbulent course of political and economic development in the Third World—just as it was, indeed, through the industrial revolution in what is now the advanced Western world. Growing consciousness and social participation in a traditional society may create new claimants on both economic resources and political power faster than new and untested political structures can accommodate them. The formation of free economic and social organizations, such as unions and cooperatives, may lag or be resisted, yet these perform a crucial representative function in the kind of pluralistic society that offers the best hope for progress. The development of free, broad-based political parties and legislative institutions for the peaceful brokering of competitive claims may also lag. Too often, doctrines of economic determinism take hold and serve as an excuse for centralized state power. The result is suppression of the very personal liberties, energies, and talents which are essential for economic advance.

The real meaning of development, after all, is what it means for the well-being, aspirations, dignity, and achievement of each individual. The process of development is fulfilled when every man and woman in a society has the opportunity to realize his or her fullest potential. We have seen in our own history how a free people, in a free market, create prosperity by their effort and imagination. But a society develops also by the free association of individuals, working together in voluntary and productive endeavors of every kind. Government has an undeniable role—as the accountable servant of the people; as the provider of public safety and the common defense; as the promoter of

This emerged in the West after a process of evolution that took centuries. In the developing world, a heroic effort is being made to compress it into a much shorter span of time. There are many success stories of political and economic development—in Latin America or in East and Southeast Asia. Many of these strong societies are now anchors of stability and poles of growth for their region. The ASEAN [Association of South East Asian Nations] countries of Southeast Asia are a good example. Many countries in East Asia are among the fastest growing economies in the world. The rapidly industrializing countries of Asia and Latin America include some of our most important partners in safeguarding regional security and expanding economic prosperity.

The success of this increasing number of high-growth, stable societies in the developing world is instructive. While governments have played important facilitating roles, the developing countries that have grown fastest over the last decade have been those that opened themselves up to international trade and investment; thereby, they obtain the benefits of trade with other countries and of allowing the market to ensure the most efficient allocation of domestic resources. It is no coincidence that systems which give the freest rein to economic activity are the most successful in liberating the talents, energies, and productivity of their people.

There have been setbacks, as well as successes, in the developing world. Many countries in Africa are in difficulty. In some areas such as Central America, the effort to establish democratic institutions and economic reform is being opposed by radical forces, supported by Cuba and the Soviet Union, which seek to exploit economic hardship for the ulterior motive of establishing new forms of tyranny in place of the old. Yet the long-term course of political development in Latin America offers more grounds for hope than for discouragement.

The peoples of these vibrant, developing countries want, first of all, a voice in determining their own destiny. Therefore, they distrust ideologies and foreign forces that prescribe totalitarian rule and are notorious failures at providing economic advance. Our own democratic system, in contrast, embodied the values of freedom, individualism, and the rule of law.

Therefore, our policies toward the developing world must include a range of means and a depth of understanding.

- We must offer patient support for social and economic reform and for the strengthening of free political, economic, and social institutions.
- Sometimes we must offer security assistance to help ensure that the process of democratic evolution is not disrupted or overwhelmed by armed minorities backed by external powers and alien ideologies.
- And we must continue our proud record of leadership in international trade and financial cooperation to promote economic development and progress in the developing world.

Our Joint Stake in the World Economy

Now just let me say some things about our joint stake in the world economy, because here, again, I think we see the transformation that I don't think people quite appreciate. The American effort is important, first of all, for the reasons I have already mentioned—in helping to shape a peaceful and secure international order for the remainder of this century and beyond. But it is also important, in the here and now, because the developing countries are already a major factor in the world's economic health. We have a significant stake in their progress. This has become increasingly evident in the last decade.

In the 1970s, despite the recessions and the oil shocks, the developing countries were the fastest growing sector of the world economy. Their strong performance reinforced the expansion of world trade in the 1970s and provided the leading edge of world growth. This could be the case in the second half of the 1980s as well.

- The developing countries grew at the rate of over 5% during the 1970s, compared to just over 3% for the industrial countries.
- The developing countries accounted for most of the growth in American exports from 1975-80, and thus a significant share of the new jobs created in the United States in manufacturing firms during this period.
- One out of every five acres of America's farms produced for export to developing countries.

During the most recent recession we have seen that the same linkage works in reverse.

- About half the decline in our gross national product (GNP) last year came from deterioration in our international accounts, particularly our exports to developing countries.
- Our exports to Latin America declined by 22%, as the debt crisis resulted in a harsh retrenchment in the second half of the year.
- Without the decline in our exports, our GNP would actually have risen by 2% in the last half of 1982 instead of falling by a fraction of 1%.
- Stagnation in world trade has been a significant part of the drag on our, and the world's, recovery.

This intimate link between the developing countries' and our own prosperity is financial as well as commercial. The lingering crisis of some heavily indebted developing countries can hurt our own financial institutions if not handled prudently.

The historic lesson here is a simple one. Today the effective functioning of the global trade and financial system depends heavily on the participation, and health, of the developing countries as well as of the industrial countries. The reality of mutual interest between the Northern and Southern Hemispheres is not at all reflected in either the doctrinaire Third World theory of debilitating dependency or the aid giver's obsolete sense of patronage. There is now a relationship of mutual responsibility. Our common task is to make this link a spur to growth in both regions, instead of an entanglement of mutual decline.

The Challenge of Development Today

President Reagan set forth at Cancun the pragmatic, constructive, and cooperative spirit with which the United States approaches the common challenge of promoting development. A positive North-South dialogue should now aim at the rapid restoration of economic growth. That's the name of the game right now—economic growth. Toward that end there is much to be done, and much that can be done.

Global recession in the last 2 years has hit the developing countries with exceptional force. World trade, which accounted for 20% of their gross national product, fell by 15% in 1982.

ing countries, stagnated in 1981 and declined in 1982 for the first time in 25 years. Governments under pressure in both the industrial and the developing worlds adopted austerity programs and import restrictions. Many of the poorest developing countries have been devastated by declining commodity prices, which fell by 20% from 1980 to 1982. In this environment, the developing countries could not hope to achieve the kind of export growth that fueled their rapid advance in the 1970s.

Several large countries in Latin America have also seen their progress halted by a burden of debt service made unexpectedly heavy by stagnant world trade and declining new lending from commercial banks. By austerity measures, and by emergency international financing from the International Monetary Fund (IMF), first steps have been taken to stabilize the financial situations of specific countries. But austerity alone cannot be a sufficient solution when so many countries are in trouble. If everyone practices austerity and cuts imports, this only chokes world trade and spreads the hardship further. The ultimate objective must be growth, not austerity.

A strategy for restoring growth in the developing countries will require sustained, concerted action by the international community, working with an attitude of joint responsibility. It will require, in particular, determined effort by many of the developing countries themselves, including in many cases difficult readjustment and discipline in domestic policies.

The United States, for its part, is leading the way to long-term global economic recovery—the single most important thing we can do to restore growth in the developing world. In the United States, inflation and interest rates are down, the leading economic indicators are up, and investor and consumer confidence are returning. Growth with low inflation has now also resumed in Japan, Germany, Britain, and others, which together with the United States account for about three-quarters of the production of the industrial countries. The challenge is now to turn this revival quickly into a true global recovery and sustained growth for the rest of the 1980s.

Expanding Trade

World trade is the key to this process. In the near term, trade is the transmission belt by which recovery in the North will produce faster growth in the South. Acceleration of growth in the industrial nations from about 2% this year to 4% in the mid-1980s would by itself add between \$20 and \$25 billion annually to the export earnings of non-oil developing countries.

In the longer term, trade is the primary source of external resources and impetus to growth for all countries. In 1980, the developing countries' export earnings of about \$580 billion amounted to 17 times their net inflow of resources from foreign aid. I say that, not to knock foreign aid but just to put perspective on what's going on here.

This is what underlies President Reagan's sustained and courageous defense of free trade. As he said in March in San Francisco:

The United States will carry the banner for free trade and a responsible financial system. . . . In trade with developing countries . . . tariffs and quotas still play a significant role. Here, the task is to find a way to integrate the developing countries into the liberal trading order of lower tariffs and dismantled quotas. They must come to experience the full benefits and responsibilities of the system that has produced unprecedented prosperity among the industrial countries.

The United States cannot accomplish this alone. Only in collaboration with other nations can we maintain an open international trading system for all, but of particular benefit for the developing countries, over the rest of this century. It is truly encouraging that during the recent recession, industrialized countries, for the most part, have resisted the temptation to resort to new measures of protectionism. As we come out of recession, it is time to move ahead on new measures of trade liberalization, with special attention to the problems of the developing nations.

The General Agreement on Tariffs and Trade (GATT) was the framework for the reciprocal lowering of tariffs which helped fuel the unprecedented expansion of world trade in the postwar period. The GATT, with its evolving rules on liberalization of nontariff trade measures, is the key to our ability to

spearhead new liberalization but also bring greater discipline to the so-called safeguard procedures which may otherwise frustrate developing countries' expanding access to markets in the industrialized world. In the same vein, the GATT needs to improve the mechanisms for dispute settlement and the ground rules for agricultural trade. No more tender subject exists than that, as you know.

Mutual liberalization of North-South trade is the most effective route to the broad and open markets that developing countries need to exploit their natural competitive strengths. Regional liberalization of trade among developing countries is beneficial as well.

In the United States, we need to renew and improve our system of generalized trade preferences for those developing countries that can benefit most from such preferential treatment. We remain committed to seeking prompt congressional approval for the Caribbean Basin Initiative. And I might say that I'm pretty optimistic; we're finally going to get that this year. This is an innovative package of measures addressed to the unique development problems of the small economies of this region, including an integrated set of trade preferences, investment incentives, and aid.

Many developing countries have suffered during the recession because of the steep decline in the price of primary commodities they export. Recovery in the industrial economies should help remedy this problem. Commodity agreements—a device often suggested—have not been successful, by and large, in ameliorating wide swings in prices of these commodities and can themselves contribute to over- or under-investment in production. More effective have been arrangements to provide temporary financing to commodity-producing countries when their export earnings fall. The IMF has a compensatory financing facility of this kind. We should explore whether improvements in its operation are desirable rather than create new institutions with overlapping purposes.

Financial Support

Like the GATT in the trade area, international institutions exist to foster cooperation in providing essential finan-

to support its essential role of intermediation between international capital markets and developing countries with limited access to those markets. These institutions are proving in the current period of difficulty that they are vital instruments for mitigating the problems of the present emergency and facilitating global recovery.

The right approach to the financial problems of heavily indebted developing countries is the one pursued consistently in the international financial negotiations over the past 12 months. (And I don't think people quite appreciate that, in their quiet way, Jacques De Larosiere, Tom Clausen, our own Secretary of the Treasury and Chairman of the Federal Reserve and their counterparts around the world have done a terrific job. They really have.) The objective must be to preserve these countries' creditworthiness and their ability to import new private capital to finance growth over the coming years. There is no point in more austerity than is necessary for this objective. Sometimes you get the feeling people like austerity. There's no point in it except what you really have to do. The name of the game is expansion. With equal logic, any "quick fix" which impairs these countries' future ability to import capital is a very expensive "fix" for all parties.

More emergency assistance may be needed in some cases. There will be a continuing role for official financing in the transitional period until the debtor countries' own adjustment and expanding world trade reduce the relative burden of debt service. In coming years, the same expansion of trade opportunities we seek for all developing countries will be especially critical if the heavily indebted countries are to revive the high growth they achieved in the 1970s.

Investment, Savings, and Aid

The most important engine of growth for developing countries is not external aid but investment financed by domestic savings. This is true for most developing countries, including the largest recipients of aid. India, for example, last year achieved gross investment equivalent to 25% of its GNP—with 91% of that investment financed by domestic savings. On average, the developing countries devote about one-quarter of their GNP

to support its essential role of intermediation between international capital markets and developing countries with limited access to those markets. These institutions are proving in the current period of difficulty that they are vital instruments for mitigating the problems of the present emergency and facilitating global recovery.

The lesson is that aid should not be seen as a substitute for domestic savings, that aid becomes less important as countries grow, and that sound internal policies are crucial to making the best use of both aid and domestic savings.

All growth everywhere depends on productive investment; all investment depends on savings. In a sense, there is a pool of world savings, and foreign aid represents a political, governmental extraction from that pool; it is not manna that comes from heaven. But aid has a proper, important role in development: that is to provide a margin of investment resources to supplement domestic savings, where those savings have already been effectively marshaled by sound economic policies and incentives or, in the case of the poorest developing countries, where governments have little or no access to international capital markets.

The economic aid program of the United States has increased each year of the Reagan Administration, even while many domestic expenditures have been cut. The United States has concentrated its aid increasingly where it is most needed—in the poorest developing countries. Our contributions to multilateral development banks are enough to support growth of their lending by 14%–15% per year. The United States continues to be the largest provider of official development aid—and should be—and over two-thirds of our aid goes to the poorest countries.

The World Bank's International Development Association (IDA) is the primary vehicle for channeling aid to many of the poorest countries in Africa and Asia. Of course, we've had a big struggle in fulfilling our pledges to IDA. Therefore, I am encouraged by the far-sighted action of the House of Representatives yesterday in approving for this fiscal year the full amount requested by the Administration toward meeting the U.S. commitment to the IDA.

President Mitterrand of France has justifiably urged special attention to the economic crisis that now engulfs much of Africa, posing the danger, in his words, that Africa will become "the Lost Continent of development." Fellingner

spreading human tragedy and prolonged turmoil in many African societies unless these trends are reversed. New approaches by Africans are needed to encourage private initiative and productivity. New efforts on the part of aid donors are needed to encourage and support urgent reform, particularly in agriculture. There is much to be gained by such reforms as market prices for farmers, exchange rates that encourage agricultural production, and elimination of the bias against agriculture in domestic investment and credit.

All developing countries have before them the opportunity to offer a favorable environment for private investment, including that from abroad. Private direct investment from abroad aids growth, adds know-how and technology, and helps open foreign markets. Such investment also pays for itself out of new production, instead of imposing a fixed repayment schedule. U.S. direct investment in developing countries grew by 20% annually in the second half of the 1970s. It could grow by a similar rate again.

One way to expand the flow of private investment to the developing world is for developed and developing countries to agree upon ground rules that establish favorable conditions for it over the long term. I used to advocate that there should be a GATT for investment, but it's been so difficult to get your arms around that, that I'm now on a different kick. Bilateral tax treaties can help, as can insurance and investment agreements as worked out between the United States and a growing number of countries. We're pushing investment agreements these days. We stand ready, as well, to consider a multilateral insurance of investment, as suggested by the President of the World Bank, and urge developing countries to study this approach.

Hopes for the Future

These are some of the challenges to development today and some of the remedies we think are appropriate and effective. An objective assessment of the problems and opportunities we face today should inspire growing confidence that we are on the right course. The recovery which is at hand in major industrial countries can lead the way to global recovery through a revival of

in a constructive spirit of common responsibility, strengthening an international system that nurtures growth for both.

Next month is the sixth UN Conference on Trade and Development, to be held in Belgrade. The United States will send a strong delegation and will

demonstrate its commitment to promote development. No one conference can resolve all the issues, but each can move some forward and help chart a course for the future.

The United States approaches these tasks in a spirit of cooperation and with

the conviction that growth is within the grasp of hard-working societies, working together. The reality of North and South is now that all of us are in one boat. We are all looking for a rising tide and calmer seas to speed us on our course. ■

Trade, Interdependence, and Conflicts of Jurisdiction

**Secretary Shultz
South Carolina Bar
Association
Columbia
May 5, 1984**

This is a year of some important anniversaries. Next month, on June 6, President Reagan will pay a visit to the Normandy beaches on the 40th anniversary of D-day. For those of us with an economic bent, this year is also the 40th anniversary of Bretton Woods—the historic conference of free nations that laid the foundation of the postwar economic system.

The essence of these postwar arrangements was to institutionalize cooperation in trade and finance in order to avoid the disastrous mistakes of the 1930s that had exacerbated and spread the Great Depression. The industrial democracies committed themselves to an open world economic system that promoted trade and the free flow of goods, services, and investment. They created new mechanisms of multinational action and new habits of economic policy. The result has been a generation of global economic expansion unprecedented in human history.

Over time, this postwar system has adjusted, of course, to new situations. The end of colonial empires brought into the global system scores of new nations which seek to develop and share in the new prosperity. Oil shocks, monetary disputes, and protectionist pressures have created stresses in the system. My subject this morning is another dimension of problems, often overlooked, which potentially could be more serious than any of the others. Ironically it is, in a sense, a product of the system's success.

You lawyers know it as the problem of "extraterritoriality" or more accurately as conflicts of jurisdiction. Sometimes the United States and other countries need to apply their laws or regulations to persons or conduct beyond their national boundaries. International disputes can arise as a result; sometimes, as in the case of the pipeline sanctions we imposed after martial law was declared in Poland, the legal disputes reflect disagreement on foreign policy.

My message today is twofold:

- In an interdependent world, such problems are bound to proliferate, because they are inevitably generated by the expanding economic and legal interaction among major trading partners in the expanding world economy.

- Secondly, unless they are managed or mitigated by the community of nations, these conflicts of jurisdiction have the potential to interfere seriously with the smooth functioning of international economic relations that is essential to continued global recovery.

So you can see why a Secretary of State, trained as an economist, has chosen such a topic to discuss before a distinguished bar association.

Dimensions of the Problem

Let me give you a few examples of what I am talking about.

- An American company claiming injury by foreign companies operating in our market as a cartel may bring an anti-trust suit against those companies, yet their cartel may be permitted, or even encouraged, by their own governments.

- An American grand jury investigating the laundering of drug money and

- In our country, 12 states have adopted the unitary tax system, which taxes a local subsidiary not only on the basis of its own operations but also taking into account the operations of the corporate parent and other subsidiaries. Foreign companies and their governments are protesting vigorously, because such a system can lead to double taxation.

- The Commission of the European Community, on the other hand, is considering regulations that would require European subsidiaries of American firms to disclose what the firms consider sensitive business information—plans for investment and plant closings, for example, even including those outside Europe.

- Finally, our allies may object strenuously when the United States attempts to prevent foreign subsidiaries and licensees of American companies from exporting certain equipment or technology to the Soviet Union or other countries for reasons related to our foreign policy objectives.

These examples show you the variety of different issues that can give rise to questions of conflicts of jurisdiction. And they suggest why, with the best of intentions, we are likely to run into many problems of this kind.

Conflicts Over Economic Issues

The volume of international transactions has grown tremendously in the last three decades. The contribution of international trade as a proportion of American gross national product has doubled since 1945. American exports increased from \$43 billion to more than \$200 billion in the 1970s alone. The value of world trade more than doubled during that period. American direct investment abroad as of

One symbol of this age of economic interdependence is the multinational corporation. The conditions that produced the explosion in trade across national boundaries have led to a similar internationalization of industry. Thirty years ago, most American industrial firms conducted their operations top to bottom within the United States. Today, those same operations are often spread out across the globe, whether to produce components at the lowest price or to produce goods closer to potential markets. Today, virtually every line of trade and industry has been affected—and advanced—by the spread and growth of multinational enterprises.

In this environment of commercial and industrial expansion, it is not surprising that the United States—and other nations—often find it necessary to apply their laws, regulations, and policies to activities abroad that have substantial and direct effects on their own economies, interests, and citizens. Needless to say, our assessment of our need to reach persons or property abroad often runs up against other nations' conceptions of their sovereignty and interests and, if not handled skillfully and sensitively, can escalate into legal and political disputes.

Our relations with our neighbor Canada provide the best illustration of the potential for trouble—which, in this case, I'm happy to say, is pretty well under control. Americans own a controlling interest in approximately 35% of Canadian industry. In 1982, Canadian exports to the United States constituted 20% of Canada's gross national product. Approximately 70% of Canada's oil and gas, 37% of its mining, and 47% of its manufacturing is controlled from abroad. Speaking from this perspective, Canadian Ambassador Alan Goulleb has characterized our attempts to exercise jurisdiction over persons or entities in Canada as calling into question "the ability of a national government to impose its laws and policies—that is, to govern—within its national boundaries."

Just after I was confirmed as Secretary of State, I traveled to Ottawa for 2-day talks with my Canadian counterpart, External Affairs Minister Allan MacEachen. After our talks, we announced our intention to meet at least four times each year to discuss bilateral and multilateral issues. We have already

Canada is not our only ally concerned about these issues. In the past year we have received more than 25 formal diplomatic demarches on the subject from many of our closest allies and trading partners. One of their major concerns is the unitary tax, now in use in 12 American states. In my tenure at the State Department, few issues have provoked so broad and intense a reaction from foreign nations. Fourteen countries submitted a joint diplomatic communication to the Department of State over this issue.

These countries—the 10 members of the European Community plus Japan, Canada, Switzerland, and Australia, representing 84% of total foreign direct investment in the United States (that's \$85 billion)—had three complaints. They complained about the administrative burden of compliance and about the potential for double taxation. And they warned that we must anticipate adoption of unitary taxation by developing nations who are heavily in debt and looking desperately for new sources of revenue. As the world's largest foreign direct investor, the United States will be a big loser if the practice becomes widespread. Developing nations, I might add, would be even bigger losers in the long run, since they would scare away investors.

Although on a technical level it can be debated whether unitary taxation really involves "extraterritoriality," it is perceived that way on a political level. Thus I am pleased to see that the Unitary Tax Working Group of Federal, state, and business representatives—established at the President's direction—has reached a consensus in favor of limiting unitary taxation to the "water's edge." Despite problems yet to be overcome, we think substantial progress has been made toward finding a practical solution.

National Security and Foreign Policy Conflicts

As controversial as these conflicts over trade and financial issues can be, the potential for sharp controversy is even greater when the disputes involve major foreign policy concerns. As the largest free nation, the United States must use the full range of tools at its disposal to meet its responsibility for preserving peace and defending freedom.

United States and by foreign firms using American-made components or U.S. technology. Eventually we also prohibited exports of wholly foreign-made commodities by subsidiaries of U.S. firms abroad. This caused a major dispute between us and our trading partners, who complained of the extraterritorial reach of the sanctions and the retroactive interruption of contracts already signed.

Our Export Administration Act, which is now up for renewal, authorizes the government to impose controls on exports of equipment or technology on grounds of either national security or foreign policy. That authority extends not only to entities within the United States but to any entity, wherever located, that is subject to U.S. jurisdiction. We consider this to include foreign subsidiaries of U.S. firms, although such authority has rarely been exercised. The act also provides authority for controls on reexports and for controls on the export abroad of foreign products using U.S. components or technology.

Thanks to the allied consensus on the need to keep militarily useful technology from falling into the hands of our adversaries, implementation of so-called "national security" controls has not generally created problems over extraterritoriality. Each allied government enforces similar controls, and policies are kept in harmony through the Coordinating Committee for Multilateral Security Export Controls or COCOM. It doesn't make sense to spend billions of dollars on defense but at the same time help our adversary build up the very military machine that we are spending the billions to defend against.

When it comes to use of export controls to impose sanctions on foreign policy grounds, which we resort to very sparingly, no such consensus exists. Our efforts under the Export Administration Act to compel U.S. firms outside the United States to adhere to our foreign policy controls have stirred up new controversy. This is in part because some of our allies do not share our belief in the efficacy of economic sanctions, in part because of differing strategic perspectives, and in part because their domestic economic interests would have been more adversely affected than ours.

In our current effort to extend and amend the Export Administration Act,

pipeline sanctions so controversial. Specifically, the Administration supports clarifying the criteria for controls on so-called "foreign policy" grounds, taking account of the principle of sanctity of contracts in this area. At the same time, resolution of the pipeline dispute has demonstrated the benefits of a cooperative allied approach to economic relations with the Soviet bloc.

When I was in private business, I was concerned about the practice of using foreign trade as a tactical instrument of foreign policy. I called it "light-switch diplomacy"—the attempt to turn trade on and off as a foreign policy device. The problem is twofold. First, the United States is no longer in such a dominant position in world trade that our unilaterally imposed sanctions have as powerful a political effect as is intended. Moreover, America's reliability as a supplier is eroded; other countries simply change suppliers or design U.S. components out of the goods they manufacture. The U.S. economy suffers unless our main trading partners go along with us. Foreign aircraft manufacturers, for example, are already avoiding U.S.-made high-technology navigational devices for fear that some day new U.S. export controls might be imposed, preventing sales or drying up supplies of parts.

Now that I am Secretary of State, I continue to have the same concerns. But I know, too, that there are cases beyond the strict legal definition of "national security" that pose a serious challenge to our broader security and other foreign relations interests. In these cases, economic and commercial interests cannot be the sole concern of policy. Dealing with Libya and Iran is an example; and we must be able to prevent U.S. commerce from being the source of chemicals used unlawfully in regional conflicts.

For these kinds of cases, it seems to me imperative for the President to have discretionary authority to use national security and foreign policy controls on a selective basis. Although such controls can have painful side effects, the alternatives available for responding to threatening international developments can sometimes have even higher costs. We have thought a lot about the proper balance and have tried to build such a balance into the President's proposal for amending the Export Administration Act. This approach merits congressional support.

As the machinery of business regulation grows more complex, as the Soviet Union steps up its drive to acquire advanced technology that it cannot produce itself, the opportunity for differences is bound to grow. Any one of the major trading countries is likely, on some occasion in the future, to feel that its national interest or public policy cannot be served without an assertion of jurisdiction that leads to a disagreement with its partners. And, if the disputes get out of hand, they could do damage to this open system of trade and investment and become an obstacle to further economic growth, as I have said. Disputes over extraterritoriality could become a bigger threat to our economic interests than the present concerns about tariffs, quotas, and exchange rates. On a political level, they can become a serious irritant in relations with our allies and thus even weaken the moral foundation of our common defense.

So extraterritoriality is not an esoteric, technical matter. It is high among my concerns as I go about the job of managing the foreign relations of the United States.

The Necessity for a Solution

It is, in fact, a matter of some urgency. Increasingly, conflicts of jurisdiction are resulting in defensive and retaliatory actions on the part of some foreign governments.

A number of countries have enacted "blocking" statutes seeking to forbid individuals or companies from complying with U.S. law or regulation. In 1980, for example, Britain enacted the Protection of Trading Interests Act. This law empowers the British Government to order companies in Britain not to comply with foreign subpoenas and discovery orders, as well as foreign laws, regulations, or court orders that threaten to damage British trading interests. The act also authorizes a British company to retaliate against private treble-damage antitrust awards by filing a countersuit in British courts.

In addition, the prospect of application of our laws to offshore conduct is beginning to result in new barriers to investment. Acquisitions and mergers have also been impeded, and foreign manufacturers are beginning to seek alternative sources of supply to replace U.S. sources that are considered unreliable.

As the machinery of business regulation grows more complex, as the Soviet Union steps up its drive to acquire advanced technology that it cannot produce itself, the opportunity for differences is bound to grow. Any one of the major trading countries is likely, on some occasion in the future, to feel that its national interest or public policy cannot be served without an assertion of jurisdiction that leads to a disagreement with its partners. And, if the disputes get out of hand, they could do damage to this open system of trade and investment and become an obstacle to further economic growth, as I have said. Disputes over extraterritoriality could become a bigger threat to our economic interests than the present concerns about tariffs, quotas, and exchange rates. On a political level, they can become a serious irritant in relations with our allies and thus even weaken the moral foundation of our common defense.

• The unitary tax has made foreign companies think twice about building plants in the United States. A few months ago, the president of Fujitsu was reported in the *Washington Post* as saying that his company is delaying plans to build a plant in California to see whether that state repeals its unitary tax law. Sony has stated that it decided to expand new U.S. investment here in South Carolina rather than California because of California's unitary tax. (South Carolina, I must say, has a remarkable record of attracting some \$3.5 billion in foreign investment in the last dozen years or so.)

• Speaking more broadly, we have had a number of suggestions from friends and allies in recent years that application of American law where it conflicts with their policies can only serve to damage adherence to an investment principle we have long cherished: national treatment for American-owned companies abroad.

These may be only the tip of the iceberg. The threat of extensive application of domestic law—be it U.S. or European law—to entities or persons abroad has the potential to harm the fabric of the global economic system. And disputes of this kind pose a danger of poisoning political cooperation among the democracies, whose solidarity and cohesion are the underpinning of the security, freedom, and prosperity of all of us. It is imperative, therefore, that we manage the problem of conflicts of jurisdiction.

The Search for Solutions

As we search for solutions, we can start by examining an analogy from our own history. As lawyers, you have much experience with dealing with conflicts of laws among the several states. And you remember that as this country grew from

a collection of "free and independent states" under the Declaration of Independence to its status as a "more perfect union" under the Constitution, this growth was accompanied by a political struggle over the effort to centralize and strengthen national control over interstate commerce.

It's not news to the people of South Carolina that the growth of our country gave rise to a continuing tension between the sovereign states and the Federal Government. In the economic sphere, notwithstanding the centralizing clauses of the Constitution, conflicts of jurisdiction arose from the states' attempt to regulate and tax the railroads in the late 1800s. America's railroads, indeed, were an early example of multijurisdictional enterprises. Their growth made the United States a truly "national" market for the first time. Understanding the importance of economic integration, the Supreme Court decided in several landmark cases, dealing with shipping and interstate commerce, that conflicts of jurisdiction among the several states could not stand in the way of national prosperity. Today, the United States can be viewed as the largest free-trade area in the world.

In the United States we have been fortunate that the friction generated by conflicts of jurisdiction has been eased by a strong Federal system. In the international arena, differences among nations are not so easily resolved. As a result, what may first appear to be a clash of legal principles can quickly escalate into a major diplomatic incident. International law, instead of mitigating conflict, can become a battleground until the underlying dispute is eased by creative diplomacy. The need for such solutions is becoming more urgent as conflicts of jurisdiction multiply in our economically interdependent world.

The question we face, however, is not whether extraterritorial reach should be permissible but rather how and when it should be done. Thanks to the wonders of modern electronics, corporations and individuals can frustrate important national regulations and laws by transferring assets, data, and documents across oceans with a telephone call or the push of a computer button. In such a world, where

transactions often involve parties in several nations, rigid territorial limits to jurisdiction are, in fact, not practicable.

Even some of the most eminent critics among our allies recognize this. Canadian Ambassador Gottlieb has stated:

It is clear that in our interdependent world a purely territorial approach to sovereignty—one that completely separates national jurisdictions—is not workable; some extraterritoriality is inevitable and, sometimes, even desirable.

Nevertheless, it is essential that the industrialized world find ways of containing or mitigating or resolving some of the problems. The United States cannot disclaim its authority to act where needed in defense of our national security, foreign policy, or law enforcement interests. However, we are prepared to do our part in finding cooperative solutions. We are prepared to be responsive to the concerns of others. If our allies and trading partners join with us in the same spirit, we can make progress.

The first element of our approach is to strive to resolve the policy differences that underlie many of these conflicts of jurisdiction. The pipeline dispute, for example, was resolved through diplomacy: the United States lifted the sanctions while the industrial democracies began working out a new consensus on the important strategic issues of East-West trade. Harmonizing policies is not easy. Our allies are strong, self-confident, and independent minded; and they do not automatically agree with American prescriptions.

Even where policies are not totally congruent, it may be possible at least to bring them closer together in some areas, or to agree on some ground rules that allow us to meet our legitimate needs. Some examples include regulating competition, pursuing foreign insider trading in our securities markets, and protecting what we consider to be our sensitive technology. A good case in point is the cooperation we recently received from several foreign governments in intercepting sensitive computers that were being diverted to the Soviet Union.

Second, where policies do not mesh, countries should seek to abide by the principle of international comity: they should exercise their jurisdiction only after trying to take foreign interests into

talk through potentially significant problems with friendly governments at the earliest practicable stage.

Sometimes, the answer may be a formal international agreement. We have tax treaties with 35 nations, for example, including all the major industrial countries. I have just returned from China, where the President signed a tax treaty that will enter into force after ratification. These have the effect of harmonizing national systems and fostering international commerce, and they usually establish procedures for enforcement cooperation.

Similarly, we and our partners have been expanding formal arrangements for mutual assistance in the law enforcement area. Three such formal treaties are already in force, three more have been signed and are awaiting ratification, and several more are under negotiation.

We are also discussing ways to develop further our informal arrangements of advance notice, consultation, and cooperation with foreign governments where appropriate and feasible. Under OECD [Organization for Economic Cooperation and Development] guidelines regarding antitrust enforcement, in place since 1967, the United States has notified or consulted with foreign governments approximately 490 times regarding antitrust cases, including the well-known Uranium and Laker matters. With West Germany, Australia, and Canada, we have expanded these guidelines into bilateral agreements or arrangements.

We have cooperative procedures as well for some of the independent regulatory agencies. The Federal Trade Commission (FTC), for instance, participates in the antitrust notice and consultation program I mentioned earlier. And the Securities and Exchange Commission (SEC) has entered into a Memorandum of Understanding with Switzerland, through which we can obtain information in Switzerland that we need in investigating insider trading and other securities violations.

Third, we are working to improve coordination within the U.S. Government. Within the executive branch we are studying procedures through which other agencies inform and, if appropriate, consult with the Department of State when contemplating actions that may touch foreign sensitivities about conflicts of

jurisdiction. The State Department has already played a constructive role in assisting, for example, the SEC, the FTC, and the Justice Department.

Fourth, we are considering the development of bilateral and multilateral mechanisms for prior notice, consultation, and cooperation with other governments. In the OECD, we are working out a set of general considerations and practical approaches for dealing with cases of conflicts of jurisdiction relating to multinational corporations. Discussions are taking place also in the UN framework with both developing and industrialized countries. We have had extensive bilateral consultations with Britain and Canada, and we are ready to consider such appropriate and mutually beneficial arrangements with other interested friendly countries.

Such measures will not end conflicts of jurisdiction, but they are an earnest of this country's determination to do what it can to avoid conflicts where we can and to minimize the harm that the unavoidable

conflicts can do. The United States, for its part, will continue to maintain that it is entitled under international law to exercise its jurisdiction over conduct outside the United States in certain situations. We will continue to preserve the statutory authority to do so. But we will exercise the authority with discretion and restraint, balancing all the important interests involved, American and foreign, immediate and long-term, economic and political.

Problem Solving

The essence of our approach is to reduce the problem from an issue of principle to a practice of problem solving. This is because, in the final analysis, there is a higher principle at stake: the political unity of the democratic nations. That unity, as I said earlier, is the key to our common security, freedom, and prosperity. The system of law that we and our allies so cherish and the free economic system that

so nourishes us are under severe challenge from adversaries who would impose their own system by brute force. If the free nations do not stand solidly together on the fundamental issues, we all risk losing much that is precious—far more precious than the subject matter of any particular dispute.

To solve these problems, we need creative thinking on the part of the American legal community, businessmen and economists, government officials, foreign policy experts—and their counterparts abroad. I know that with imagination and dedication, we in the free world can surmount these obstacles. Too much is at stake for us to do otherwise. ■

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